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THE IMPACT OF ELECTRONIC BANKING SERVICES ON CUSTOMERS' SATISFACTION IN THE AFGHANISTAN BANKING SECTOR

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ABSTRACT
The purpose of this study was to investigate the relationship between the dimensions of electronic banking services and customer satisfaction in the Afghanistan Banking Sector to find out which dimension can potentially have the strongest influence on customer satisfaction. The scales were chosen from Rima et al., (2018). The study obtained data from 242 customers or clients ranging from the management to the customers of the bank. Data were analyzed using descriptive and inferential statistics which is Correlation and Multiple Regression model regression analysis. The study results revealed that reliability, efficiency, and ease of use; responsiveness and communication; and security and privacy all have a significant impact on customer satisfaction, with reliability being the dimension with the strongest impact. Meanwhile, it suggests that Afghanistan Banking Sector should increase their investment in E-Banking services and the financial institutions should work hand to hand to enhance their internet banking to make it flexible, fast and easy to use.

Keywords:
E-Banking, Customer satisfaction, efficiency, reliability, responsiveness, privacy and banking sector.

INTRODUCTION

Technology has played a vital role in today's world. The internet has transformed the banking business and made the world a global village (Karjaluoto et al., 2002). The term banking can be applied to a large range of financial institutions, and the provision of deposit and loan products normally distinguishes banks from other types of financial firms (Shelagh, 2005). Technology in the contemporary world involves cultural values, ethical concern, ideologies; it is also shaped by political and economic determinants (Murphie & Potts, 2017).

In today's fast-paced and increasingly competitive global market, effective and efficient methods are required to survive and earn profits that can contribute to the organization's success (Wilson, 2007). Competition forces banks to design and trade ever more complicated derivatives agreements, which can be lucrative at first because positions can be highly leveraged and underwriting fees for such instruments can be quite high (Cranston et al., 2017). Banks are intrinsically linked to markets, and their participation in them has risen tremendously (Barbara et al., 2015). The banking industry is one of the most forward-thinking industries when it comes to technological advancements and improvements. Technology has a wide range of effects on service businesses in general, and the financial services industry is no different. Imposing information and communication technology concepts, techniques, rules, and implementation strategies on banking services has become a major concern for all banks, as well as a criterion for local and global competitiveness in the banking business. The gradual shift to electronic banking began with the adoption of automatic teller machines (ATMs), and Finland is the first in the world to have taken a lead in electronic banking (Mishra & Kiranamai, 2009).

The banking business is now in the era of banking applications, which are menu-driven, ultra-generous specialized software projects. These programs can perform all financial functions; however, they rely heavily on data collection, transport, and processing. The usage of E-banking products and services in banking operations has become a major topic of interest and concern for all banks. In any case, it ought to be understood, that E-banking services came out of Information and Communication Technology, which made it feasible for service providers and their customers in developing economies to enjoy the services that are also enjoyed in the developed countries. E-banking services have given banks the chance to motivate clients, which urges them to continue banking with them (Kwarteng, 2015). Banking sectors deal with individual, institutions, and business and they are called the customer of the Bank these customers have wants and need from the banks to be loyal to

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the banks and Banks also want to keep satisfy the customers and one of the ways to keep the customers fully satisfied is providing the Electronic Banking rather than brick and mortar system (Worku, 2016).
Banks are using the Internet as a strategic weapon, leveraging it as a distribution channel to offer complex products at the same quality they can provide from their physical branches, at a lower cost, to more potential customers, without boundaries. Proposed that, banks can become technology providers by spinning off technology resources to start up new business streams, they can become content providers for information regarding products (Saim, 2006). E-banking is a product designed for the purposes of online banking that enables you to have easy and safe access to your bank account. E-banking is a safe, fast, easy and e client electronic service that enables you access to bank account and to carry out online banking services, 24 hours a day, and 7 days a week. With this service, you save your time by carrying out banking transactions at any place and at any time, from your home or office all you need is internet access. Electronic banking enables the following elements: accurate statement of all transactions processed in your bank account, Statement of current account, credits, overdrafts and your deposits, execution of national and international transfers in various currencies, execution of all types of utility bill payments (electricity, water supply, telephone bills, etc..) carrying out customs payments, electronic confirmation for all transactions executed by E-banking and management of your credit cards (Singh, 2006).

Research Questions and Hypotheses

In this research, the following question is consider as the main question :
What is impact of E-banking on customers' satisfaction in Afghanistan Banking Sector?
Research hypotheses have been extracted based on relevant articles and available literature and for this purpose, the research hypotheses are specialized in following: The literature suggested that efficiency, reliability, security and privacy, responsiveness and communication are four important dimensions of E-banking that effect the customer satisfaction, while the main overall hypothesis in this study proposed a positive and significant relationship between Service Quality of E-Banking and customer satisfaction with Electronic Banking, this main hypothesis was broken down into four testable hypotheses related to the four independent variables considered, as follows:
$\boldsymbol{H}_1$: The efficiency of E-Banking services positively affects customer satisfaction.
$\boldsymbol{H}_2$: The reliability of E-Banking services positively affects customer satisfaction.
$\boldsymbol{H}_3$: The security and privacy of E-Banking services positively affects customer satisfaction.
$\boldsymbol{H}_4$: The responsiveness and communication in E-Banking service positively affects customer satisfaction.

OBJECTIVES

The general objective of this study is to find out the impact of electronic banking on customers' satisfaction in Afghanistan Banking sector. Specifically, the study seeks to:

- To suggest necessary actions that should be considered by the Banking sector in order to know the impact of E-banking on customer satisfaction.
- Determine the level of customer patronage of electronic banking services.
- Investigate the impact of E-banking services on Money exchange dealers.
- To study the concept of quality in electronic banking services.

METHODOLOGY

The research approach for this case study is qualitative- inductive. The literature shows that efficiency, reliability, security and privacy, and responsiveness and communication are four important dimensions of Electronic Banking services and customer satisfaction. Therefore, a survey was developed from validated scales to assess the impact of the aforementioned dimensions on customer satisfaction. The scales were chosen from Rima et al., (2018). This investigation used data from primary and secondary sources. The primary data was collected from the customers of the banks that they have an account in one of Afghanistan banks we distribute our questionnaire to both private and governmental bank's customers. and secondary data was collected from a variety of sources, mainly Central bank of Afghanistan (DAB), World bank, articles, internet, journals and human resources management as well as Administrative and Procedural guides. Frequencies, ratios, charts, and graphs were used to examine the data.
A simple and random sampling technique is used to collect data, the reason for selecting this method is to reach a wide range of participants with different backgrounds and demographic variables in short period of time.

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Participants were exposed to questionnaire, In this research, due to the specialization of the research subject and the existing population constraints statistically the customers of the banks of Afghanistan are considered to be from certain participant adapted are, approximately 650 Population targeted as the size of the community according to Morgan's table our Population size is in the research 242 people is considered.

RESULTS AND DISCUSSION

The objective of this research is to investigate and find out the impact of E-Banking services on customers' satisfaction. Moreover, especially to explore customer satisfaction in Afghanistan Banking sector. The finding of this research has explored some interesting findings:

E-banking is very important for present and also for the future development for bank customers and the importance of E-banking is significantly related to their age, education, occupations, and income.

The research seeks to find out the usability of e-banking in Afghanistan, the way of performing banking services, the issue of Efficiency and ease of use, Reliability, Responsiveness and security as well as the reasons for using e-banking and the level of user satisfaction. Data were collected from clients using questionnaires. This section presents the research findings and interprets the results of each question individually.

Demographic Profile of Respondents

	Category	Frequency	Percent
Gender (Sex)	Male	196	81.0
	Female	46	19.0
Age (year)	16-25 years	54	22.3
	26-35 years	137	56.6
	36-45 years	30	12.4
	46-55 years	13	5.4
	56-65 years	8	3.3
Education level	High school	21	8.7
	Bachelor	156	64.5
	Masters	55	22.7
	Ph.D.	9	3.7
	Professional certification	1	.4
Monthly income level	Dependent on parents	45	18.6
	Wage < US$500	105	43.4
	US$500-US$1,499	67	27.7
	US$500-US$1,499	13	5.4
	US$2,500-US$5,000	9	3.7
	Wage > US$5,000	3	1.2
Length of E-Banking usage	Less than a year	46	19.0
	Between 1 and 3 years	138	57.0
	4-7 years	29	12.0
	More than 8 years	29	12.0
Frequency of E-Banking services usage	Never	13	5.4
	Once per month	95	39.3
	Twice per month	56	23.1
	3+ times per month	78	32.2

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The demographic characteristics of the respondents; out of 242 questionnaires were received from the respondents; 81.0%, of them were males and 19.0% were females. From the second answer of the questionnaire, we got these results that 22.3% of the respondents are in the range of 16-25 years, 56.6% of the respondents are in the range of 26-35 years, 12.4% are in the range of 36-45 years, 5.4% are in the range of 46-55and 3.3% of the respondents are in the range of 56-65 years.

Multiple linear regressions analysis test

Model	R	R Square	Adjusted R Square	Change Statistics		
				R Square Change	F Change	Sig. F Change
Dimension	.424[a]	.180	.166	.180	12.984	.000

Table above shows research model summary, in aim of showing the relationship strength between the independent variable and the dependent variable which is examined through the relation by (R) and in regards to the results of analysis, (R=.424) which is a positive relationship. Moreover, p-value is 0.00 which means assertion about the significant relationship, hypothesis 1 has been accepted. This result finding shows positive relationship between those two variables. Concequently, from same model (R2=.180) this indicated independent variables E-banking Service 1.66% of the variance in adoption. It means E-banking services has the ability to describe 1.66% of customer satisfaction regarding Efficiency, Reliability, privacy, responsiveness and communication.

Regression test equation for independent variable dimensions

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.004	.156		6.432	.000
Efficiency	.171	.052	.203	3.274	.001
Reliability	.245	.048	.320	5.081	.000
Privacy	.037	.026	. 067	1.424	.156
Communication	.031	.045	.042	.686	.493

The findings of this study showed not only that service quality is a factor that has a significant relationship with customer satisfaction with E-Banking services but also that reliability and Privacy is the strongest dimension of E-Banking services affect customer satisfaction.

The findings revealed that there exists a weak positive relationship between electronic banking and customer satisfaction. Furthermore, the relationship in these two variables was tested using Pearson"s correlation coefficient, which was 0.263 and showed that there was 0.433 insignificant positive relationship between electronic banking and customer satisfaction. This shows that customers are satisfied with the electronic banking services in Afghanistan.

Significant and positive influence on it. The findings also showed that the four independent variables (efficiency and ease of use, reliability, security and privacy, and responsiveness and communication) as related to the E-Banking services have a significant effect on customer satisfaction in the Afghanistan banking sector.

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CONCLUSION

This study aimed to examine the impact of E-Banking service on customer satisfaction in the Afghanistan banking sector. Similar studies had been done for other countries and markets. Martin et al., found that Electronic Banking has met the majority of consumers' banking needs; GCB (Ghana's bank) is known for long lines; and the existence of ATM machine problems affects electronic banking services, decreasing client satisfaction (2016). Many customers use internet banking because it is simple to use, and tailored internet banking has a significant impact on customer satisfaction (Thomas, 2016). As revealed in the literature review; however, none to the authors' knowledge had been done in the Afghanistan banking sector. The study followed the qualitative-inductive approach where a survey had distributed among bank clients in Afghanistan, and the data were analyzed using the IBM SPSS version[20]. The results shows that the four independent variables (efficiency and ease of use, reliability, security and privacy, and responsiveness and communication) as related to E-Banking services have a significant effect on customer satisfaction in the Afghanistan banking sector. These finding are supported by previous research (G. Sharma & Malviya, 2014) it demonstrates that the dimensions of Internet banking service and consumer satisfaction with banks have a direct relationship. An important dimension of E-banking service is efficiency and ease of use. According to Lustsik (2004), using a bank's e-services offers clients a chance to be cost effective in performing transactions, not only by saving money but also by saving time (Ho & Ko, 2008).

Our findings are in line with those of other research that have found that higher levels of efficiency boost consumer satisfaction with E-Banking. Reliability, a key aspect of service (Parasuraman et al., 1988), was found to have the highest impact on customer satisfaction with E-Banking. This confirms results found in previous research on this topic, as people need to be able to depend on a steady delivery of the E-Banking service (Kettinger & Lee, 2005; Tan & Teo, 2000).

However, while the dimension of security and privacy had a positive and significant impact on customer satisfaction, supporting prior study (Jun, Yang, & Kim, 2004), its impact appears to be lower than the other service E-banking variables.

Recommendation

The outcome of the investigation gives legitimate suggestions that the Afghanistan banking sector should invest more than ever in electronic banking services, raise public awareness about the use of electronic banking, and employees of banks should be given special training for the use of E-banking. Meanwhile, Special arrangements should make by banks to ensure the full security of customer funds. Banks must use the latest technologies with timely updates to secure customers' valuable money from the hand of hackers, also the research suggest the management of banking institutions should enhance the application of mobile banking to increase the satisfaction of their customers. Mobile banking can decrease the demand for Money exchange dealers. In addition, according to the findings, government and its agencies should formulate policies that enhance the application of internet banking across all financial institutions in Afghanistan. Furthermore, financial institutions should collaborate with large retail outlets and other businesses that utilize point-of-sale systems to ensure that customer cards and point-of-sale systems are helpful, reliable, and fast. Moreover, financial institutions should enhance their internet banking to make it flexible, fast, and easy to use to increase customer satisfaction and invest in ATMs that are easy to use; guarantees privacy, affordable charges, and once that allow customers to make deposits.

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