

AN EMPIRICAL STUDY ON E-SERVICE QUALITY AND ITS IMPACT ON CUSTOMER ADAPTATION TO INTERNET BANKING

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ABSTRACT

E-service quality has identified as an important characteristic of internet banking. Evidence signifies that e-service quality is critical to online consumers when it comes to adaption of the online facilities. As internet banking is increasing rapidly, it is important for the banks to know the preferences of the customers. Therefore it is essential for banks to recognize the e-service quality and its impact on the customer adaptation towards the internet banking.

This study is focus on identifying the e-service quality dimensions and its impact on customer adaptation to internet banking within the context of the internet banking users of Sri Lankan banking industry. Therefore this paper develops a model to measure the relationship among e-service quality dimensions and the customer adaptation to internet banking facility. Furthermore this article confers the definitions, conceptualization and offers some ideas for future research.

A conceptual framework was developed to measure the relationship between e-service quality and customer adaptation to internet banking facility. Six e-service quality

dimensions namely information quality, website usability, reliability, responsiveness, privacy and system vailability were identified as independent

variables through literature reviews to test the dependant variable; customer adaptation to internet banking facility. A questionnaire was circulated among the online banking users and gathered 120 complete responses from the

Colombo district which was used to find out how the six e-service quality dimensions affect the customer adaptation to internet banking facility. Descriptive analysis was done to strengthen the findings of the study. Spearman's rank correlation was used to test the six hypotheses.

The analytical results revealed that privacy has a significant strong positive relationship with the customer adaptation towards the internet banking facility where as information quality, website usability, reliability, responsiveness and system availability has a significant moderate positive impact on customer adaptation to internet banking facility. The research found that reliability is the least contributor to the customer adaptation to internet banking facility.

The research data was gathered from 120 internet banking users in the district of Colombo which has limited the scope of the study. Therefore future research can be done covering all the districts in Sri Lanka and covering different cultures. Furthermore the theoretical framework was developed with six e-service quality dimensions to measure the customer adaptation to internet banking facility. Therefore future research can be done using more e-service quality dimensions or different e-service quality dimensions to measure the impact on customer adaptation to internet banking facility.

1. INTRODUCTION

The growth of the Sri Lankan economy has been mainly contributed by the service industry of the country. According to the central bank of Sri

Lanka annual report (2013), 58.6% of the country's economy has been nourished by the service industry. The service industry has been mainly dominated by the financial sector of the country which is consist of licensed commercial banks, licensed financial companies and specialize leasing companies. Out of that the commercial banks have become the prominent factor for financial sector growth in Sri Lanka. Currently there are 33 banks dominating the banking sector in Sri Lanka providing various banking services. Therefore banking has become a highly competitive industry in Sri Lanka where almost all the banks are trying to capture the market by providing flexible and reliable banking services.

The new technological development has affect on many business industries to enhance the productivity. The banking sector also being affected by these new technologies and as a result of that many banks have managed to increased the customer convenient on banking transactions and many manual banking functions were automated, which provided a easy and quick service to the customers. The introduction of the automated teller machines, internet banking facilities have managed to made revolutionary changes in the banking sector of Sri Lanka. Especially the internet banking facility allowed the customers to perform their banking transactions more easily and conveniently. In many developed countries like Japan, Canada, the usage of the internet banking service is between 70% - 80% and in many Europe countries like Norway, Finland, Netherlands, Denmark, and Sweden, the internet banking usage is more than 80% which clearly shows that the people are feeling more comfortable with the online banking services. Even though this has a clear impact on the manual conventional banking practices, yet most of the people are comfortable of doing the traditional face to face banking transactions especially in the developing countries and the people adaptation to the internet banking is very low. This has become more challenging task for the banks in Sri Lanka. Even though banks advertise about the internet banking facility and grant the facility to the customers, the internet banking is not used by the customer continuously, which means the customer has not adapted to the facility. This is the most prominent issue faced by

the banks when promoting the internet banking facility. Therefore the banks are trying to enhance the e-service quality to increase the adoption level of the customers. E-service quality has been defined as the ability to provide efficient and effective services to the customers through electronic media (Zeithmal, 2002) and the customers' sensitivity of service quality in an electronic media are diverse in comparison with another media (Parasuaman et. al., 2005).

In today's context electronic banking become a prominent factor in banking services, and many customers are heavily rely on the electronic banking.

Therefore the purpose of this study is to investigate whether the e-service quality is sufficient to retain the customers and whether the e-service quality has enough platforms to retain the customer in adaption level. It is evident there is a lack of research on these issues and this has motivated the researcher to uncover the unsearched areas to identify the solutions.

2. RESEARCH PROBLEM

2.1. Identification

In order to identify and study the research problem, the conceptual model, market share information, customer insights on internet banking facility of the largest private commercial bank in Sri Lanka, will be used as the observed sample, and will be referred to as the "bank in concern" hereafter.

In today's context many organizations are highly investing on the new technologies. Many companies are competitively introducing innovative technologies to capitalize the market opportunities. The banking industry also has become highly competitive due to the technological advancement. Delivering the banking services through internet has become more prominent among banks due to low cost and to attract customers while increasing the efficiency in banking sector. The manual banking practices consume more time and costly for both the customer and the bank. On the bank's perspective the cost of an electronic transaction is very much

less than a manual transaction and on the other hand for the customers the internet banking facility will provide a convenient and time saving banking service. Even though banks have introduced internet based banking products to their customers, the banks have failed to measure the exact benefits that derive to the bank through these products. Many customers have refused to use the internet banking facility due to the fear they have with the security and the privacy of their transactions on internet. Even though customers use the internet banking facilities, still they want to get the transaction confirmations through a physical contact. The mindset of the people is still combined with the traditional banking practices and this has become a vital problem on introducing and adapting people in to internet banking services.

3. SIGNIFICANCE OF THE STUDY

As per the nature of the study, many parties will get the benefit from the findings of the study in different aspects.

First the findings will be immensely useful to the top management of the “bank in concern” in order to make policy decisions on improving the e-banking service quality and enhancing the internet banking customer base in the bank. Furthermore they can use this information to identify and segment the current market, current customer base according to the usage of the e-banking service and the different services that the customers are expecting through the internet banking service.

In addition to that the marketing department of the organization can use this information to develop the advertising and other promotional campaigns, in order to encourage more people to use the internet banking and convince the conveniences and benefits of the product.

The findings of this study will immensely useful for the branch level managers to carry out personal level communication with the customers and get the feedback from them and provide suggestions to further improve the service quality. The Information Technology department will also use the findings to further enhance the facilities and security features of the internet banking facility of

“bank in concern” in order to provide user friendly and reliable service to the customers.

In addition to that these findings will be really important to the customers. Based on the findings the customers can understand the services that they can expect through internet banking service and the advantages they are getting by using the internet banking facility.

Apart from that this research will be highly important to the future researches who are interested in administrating their research in this particular field. The information will be highly useful for them to develop new research models in future researches and investigate more on new dimensions and new areas of e-banking services given by the banks. Many academics and students will also be benefited with the findings of this research in order to study on concepts similar to e-service and service quality in the modern technological environment adopted by financial institutes.

Further this information will be immensely useful to the central bank and other government authorities to make policy decisions in order to enhance the commercial bank sector of the country.

4. REVIEW OF LITERATURE

4.1. Theoretical aspects of e-service quality

The development of the new technology, internet and the globalization of the market has forced the organizations to adapt in to electronic services (E-services). Many companies, individuals have been worked towards the measuring and managing service quality and its impact on an electronic environment (Jamie and Aron, 2011). Initially the low price and web presence were thought as the drivers of success of a business. However when the customer complains increase, service quality issues soon became crucial (Parasuraman et al., 2005). Therefore in order to provide a superior service through internet the companies should evaluate and understand the consumer needs. Many organizations, researchers and individuals have done researches to find solutions for the e-service quality issues. E-service is a web-based

service provided through the internet (Reynolds, 2000, Sara 2000, cited Ojasalo, 2010) and can be defined as the electronic allocation of service to the customers. A specific definition for e-service quality has not been recognized due to, many literatures on e-service quality were mainly focused on the dimensions and measuring methods of e-service quality. Parasuraman, (2005) defined e-service quality as broadly to cover all segments of a customer's connections with a web site. Zeithaml (2002) was one of the first to suggest a definition for e-service quality which defined as "the extent to which a web site facilitates efficient and effective shopping, purchasing and delivery". The services provided on the internet using multimedia technologies, information and telecommunication can be defined as the e-services (Boyer, 2002). Parasuraman, (2005) further refers e-service quality as the efficiency and effectiveness of online browse, online purchase and delivery of goods and services. The customer expectation criteria for e-service quality existed at various levels ranging from concrete cues (e.g. tab structuring), to perceptual attributes (e.g. perceived transaction speed), to broad dimensions (e.g. responsiveness), to higher-order abstractions (e.g. quality and value). A research done by Zeithaml (2002) on service excellences in electronic channels identifies four dimensions; efficiency, reliability, fulfillment and privacy as the core e-service quality scale. Efficiency refers to the simple structure of the site which makes the consumers easy to find desired products and reliability refers to the exact technical functioning of the web site. Fulfillment refers to the accuracy of the service provided and the privacy refers to the assurance given by the site to the customers that their personal information is not shared and safe.

J. Sanots (2003) defines the e-service quality as "consumers' overall evaluation and judgment of the excellence and quality of e-service offerings in the virtual market place". The online customers will rate the e-service quality as high standard when they realized the potential benefits which derive through internet (Yang, 2001 cited Cai and Jun, 2003). A sense of loyalty that comes from online company offering better service than its competitors is the determining factor in customer

loyalty (Reichheld and Schefer, 2000). The internet can be used as a powerful weapon to increase overall service standards and offerings in many industries (Griffith and Krampf, 1998).

E-service quality has become an important factor for businesses to facilitate customer requirements in the electronic market. Therefore the e-service quality can generate a competition in the industry (Oliveira, 2002). In today's context the success of an e-business is mainly relying on the e-service quality (Jamie and Aron, 2011). Information efficiency and the transaction efficiency were the most important advantages gain through the e-service quality (Parasuraman and Zinkhan, 2002). Compare with the customers in a traditional environment, online customers anticipate higher levels of e-service quality (Lee and Lin, 2005, Cai and Jun, 2003). E-service quality can create competitive advantages and allow businesses to expand their market share.

4.2. E-service quality dimensions

Many researchers have done their researches on service quality over the web and discover several e-service quality dimensions which allow us to measure or evaluate the quality of a service provided through a web site. Following are some e-service quality dimensions which were identified and tested by several researchers.

4.2.1. Reliability

Many researchers have identified reliability as a key dimension on evaluating the quality of a website. Reliability refers to the ability of a website to complete the online consumer requests promptly and correctly. Wolfinbarger and Gilly (2003) describe the reliability as "delivery of the right product within the time frame promised". In this study they identified that the reliability factors is strongly affecting on the judgment of the quality of the website by a customer. In a study done by Parasuraman et al. (2005), reliability has identified as the fulfillment of the site's promises about the item availability and the order delivery. Furthermore this study reveals that a company should emphasis more on the website elements relating to the reliability. The perceived service quality and satisfaction of customer through electronic banking system has a significant and

positive relationship with the reliability of the service provided (Zhu et al., 2002). This was again confirmed by Lee, GG and Lin, HF. (2005) in their study on customer perceptions of e-service quality in online shopping.

4.2.2. Website Usability

Many researchers have identified website usability has a significant impact on measuring the quality of the services provided through internet. Website usability is mainly refers to the ease of use, atmosphere or the design and ease of navigation of a web site. In order to provide effectively improve online service the website developers should concentrate on enhancing the website usability (Cai, Shaohan & Jun, Minjoon, 2003). In a study of measuring the quality of e-service done by Swaid S.I. (2009), has identified website usability as a key dimension to evaluate the e-service quality of a web site. Furthermore Barnes C.J. (2002), emphasis that the website usability can be used to provide a differentiated service experience to the consumers.

4.2.3. Responsiveness

The ability to response quickly and provide support on the problems of the online users is referred to as responsiveness (Parasuraman et al., 2005). Swaid I.S. (2009) defines the responsiveness as “the customer perception of getting the help when needed by automated or human factors”. Wolfinbarger and Gilly (2003) illustrated that the responsiveness is the overall customer service provided through a website which includes providing a helpful, willing service to customer inquiries. The responsiveness has a mildly impact on overall service quality of a web site (Lee, GG and Lin, HF. 2005).

4.2.4. Information quality

The information quality mainly refers to the usefulness, accuracy and the quality of the website content. Barnes J.S. (2002) emphasis that a web site should pay more attention on the quality of the information provide to the customers. Lack of quality information can increase the dissatisfaction rate of an online customer. According to Swaid I.S. (2009), information quality defines as the

“customer perception of usefulness and reliability of website content”.

4.2.5. Privacy

Privacy is the extent of the customer believes that the website is secure to carry out transactions and the personal data is secured. The level of the safety and the protection given by the site is also referred to as privacy (Parasuraman et al., 2005). Privacy has a significant impact on evaluating as website by a customer (Parasuraman et al., 2005). Anyhow for the frequent users of the websites privacy may not be a critical factor to evaluate the quality of the websites (Wolfinbarger and Gilly, 2003). The customers initially measures the privacy based on the functionality, the design of the website and the company reputation (Wolfinbarger and Gilly, 2003).

4.2.6. System Availability

The correct technical function of the website as and when needed to use is referred to as system availability. The availability of the site for financial transactions, Quick access to the internet banking site and the less probability of the web site to get stuck when completing transactions will strongly affect on the customer satisfaction. Furthermore a website should be able to use by the customers with minimum system errors depending on their computers and the internet connections (Parasuraman et al., 2005).

4.3. E-Service Quality Models

4.3.1. E-S-QUAL model

The E-S-QUAL model was proposed by Parasuraman et al. (2005) by extending and refining the SEVQUAL model to measure the e-service quality. According to this model there are four dimensions to measure the e-service quality; efficiency, fulfillment, system availability and privacy. Efficiency refers to the quick access to the site with least information provided by the user. Efficiency can be improved by structuring the web site properly which will allow the customers to access to the required information easily. The service availability and the assurance given by the site to the customer on the completion of the service or the transaction are referred to as

fulfillment. According to Parasuraman et al., (2005) efficiency and the fulfillment are the most crucial and initial dimensions effects on customers' assessment of a web site. System availability refers to the appropriate technical functions of a site and this has identified as a crucial contributor on assessing the overall quality, loyalty intentions and value by the customer. According to this study the privacy has identified as the least critical factor in measuring e-service quality. Privacy refers to the safety of the information of a customer. Previous researches have argued that the privacy may not effect on frequent users of the website (Wolfenbarger and Gilly, 2003). Apart from that Parasuraman et al., (2005) identified another three dimensions as recovery-service dimensions namely responsiveness, compensation and contact.

4.3.2. SITEQUAL model

This model was developed by Yoo and Donthu (2001) and consists of four dimensions to measure the perceived quality of an internet shopping site. These dimensions include ease of use, aesthetic design, processing speed and security. The ease of use refers to convenience in using the site and the ability to find the required information easily. The creativeness and the colorfulness which create the site more attractive for the visitors referred to as aesthetic design. Processing speed refers to the processing speed and the interactive responsiveness to the requests of the customers. The security refers to the confident that creates among the consumers of the site that their financial and personal details are safe. This model can be used to assess the site quality and how it affects on the behavior of the online users, their buying behaviors and the decisions. SITEQUAL doesn't provide a comprehensive judgment on service quality of a website since it doesn't concentrate on all aspects of the purchasing process (Parasuraman, et al., 2005).

4.3.3. ETailQ model

Wolfenbarger and Gilly (2003) have done a comprehensive research on web site quality and developed ETailQ model with four dimensions. These dimensions are website design, reliability / fulfillment, privacy / security and customer

service. Website design elaborate features and the designs related to the particular website. Reliability refers to the accuracy of the data provided in the website. Privacy includes the safety and the security of the website. Finally customer service refers to service provided by the website on solving the issues of the customers. This model will allow measuring the customer loyalty, customer judgment of quality, Customer satisfaction and the attitudes towards the website. Wolfenbarger and Gilly (2003) has developed an excellent model to evaluate customer perceptions of e-tailing quality (Parasuraman et al., 2005).

4.3.4. WebQual model

The WebQual model was a totally different scale to quantify service quality of a website, designed by Barnes and Vidgen (2002). The first version of this model was introduced in year 2000 and after that the model was revised few times. The current model referred to five dimensions of web site service quality. Those are Usability, design, information, trust and empathy. The usability and design refers to the appearance, ease of use and navigation and the image conveyed to the customer. Information refers to the accuracy, format and the relevance of the information provide. Trust and empathy categorized as the service interaction qualities where as it refers to the transaction information security, communication and delivery of products.

Based on the above e-services quality models in Sri Lankan context for banking organizations, E-S-QUAL model by Parasuraman et al., (2005) and ETailQ model by Wolfenbarger and Gilly (2003) are more applicable.

4.4. Customer Adaptation To Technological Innovation

The intention to accept a new technology by a customer is mainly rely on the perceived usefulness and perceive ease to use (Davis, 1989). According to Davis (1989), the uses of new technology by customers are mainly influenced through the attitude and the belief of the users. Furthermore Davis (1989) explained that a person with positive attitudes towards the new technology will accept and use technology highly than a

person with a negative attitude towards the new technology. Many banks in Sri Lanka used to introduce technologically innovative banking products to utilize the market opportunities. Hence it is essential for the banks to identify the facts that influence the customer adaptation to these new technologies and find solutions to provide a superior service rather than providing basic services.

The tendency to grab the new technologies by the customers depends on their positive and negative feelings towards the technology beliefs (Parasuraman et. al, 2005). The ease of use and perceived usefulness has a significant correlation with the actual usage of the technology (Szajna, 1996). The attitude towards the use of the innovation is directly impact on the technology adaptation decisions of an individual (Yiu, 2007) Roger (1995) described that the innovativeness can make significant impact on an individual when adopting new ideas.

When it comes to the internet banking services there are many factors that influence a customer to adapt e-services which includes trust, security, web design, product diversification, credibility, collaboration, access and communication (Hassan, 2012). According to Hassan (2012) the trust plays a vital role in customer adaptation to internet banking since the transactions are made in an online platform without a face to face communication (Cho, 2007). This creates an uncertainty and a fear in the user's mind and impact as a resistant to adapt in to internet banking service. The customers should be able to access to the relevant information quickly in order to deliver efficient banking services through internet (Hernández-Ortega 2007). Therefore the design of the website plays a vital role in adapting and creating a loyal customer base.

The ease of use is another factor that influence on the adaption of internet banking by the customers. This refers to the improvements that gained using the internet banking service for the current work done by a person. Many customers are refused to use internet banking service due to security reasons. Many are afraid of losing their personal information to other parties. Therefore enhancing the security and the privacy of the internet banking

users is a vital factor to adapt them to the internet banking facility.

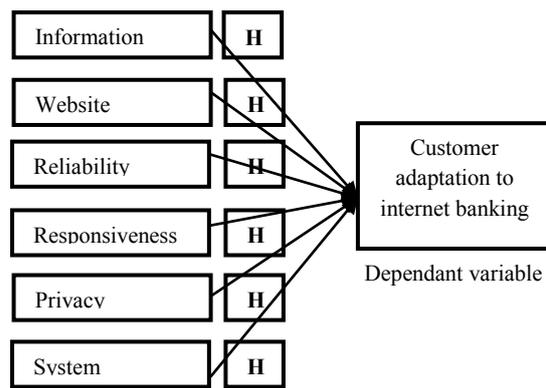
4.5. E-Service Quality and Customer Adaptation

The e-service quality plays a vital role in customer adaptation to the internet banking. Many researchers have developed models to elaborate the relationship between the e-service quality and the customer adaptation to e-services (Parasuraman et. al., 2005; Wolfinbarger and Gilly, 2003; El-Qirem, 2013; Hassan, 2012; swaid, 2009). According to these researches the perceived qualities such as web site usability, reliability, Information quality, ease of use, trust, assurance and responsiveness have a direct impact on the customer adaptation of e-services. Therefore by enhancing the e-service quality bank can adopt more customers towards the internet banking facility which will derives the benefits to the bank through cost saving, enhancement of the bank reputation and better customer service and satisfaction.

5. RESEARCH METHODOLOGY

5.1. Conceptual frame work

The above literature analysis has provided a foundation to develop the following conceptual frame work for the study. According to the proposed model 06 dimensions of e-service quality were selected as independent variables. Those were selected based on the E-S-QUAL model by Parasuraman et al., (2005), ETailQ model by Wolfinbarger and Gilly (2003) and WebQual model by Barnes and Vidgen (2002). Customer adaptation to internet banking has been selected as the dependant variable. According to the relationship among those two variables discussed in the literature review, researcher developed the following conceptual frame work (Figure 1).



E-service quality dimensions

Independent

Figure 1: Conceptual

According to the above theoretical frame work following hypothesis were developed to demonstrate the relationship between the independent variables and the dependant variable.

5.1.1. Hypothesis 1

H1: There is a relationship between information quality and customer adaptation to internet banking.

5.1.2. Hypothesis 2

H2: There is a relationship between website usability and customer adaptation to internet banking.

5.1.3. Hypothesis 3

H3: There is a relationship between reliability and customer adaptation to internet banking.

5.1.4. Hypothesis 4

H4: There is a relationship between responsiveness and customer adaptation to internet banking.

5.1.5. Hypothesis 5

H5: There is a relationship between privacy and customer adaptation to internet banking

5.1.6. Hypothesis 6

H6: There is a relationship between system availability and customer adaptation to internet banking

According to the bank records highest number of internet banking users is reported from the Colombo district. Therefore the population for this study was the customers who are registered and have at least one time experience with the internet banking facility of the “bank in concern” and these customers were randomly selected within the selected branches in Colombo district. A self administrated questionnaire was distributed targeting the internet banking users of 15 bank branches located in Colombo district to collect the primary data which was essential to test the hypothesis. A total of 120 positive and complete responses were gathered. Similar types of researches have been done by several researchers using a sample size between 100 – 120 responses. Hassan (2012) has done a research on customer service quality perception of internet banking facility in Pakistan using a sample size of 120 respondents. In the local context Hettiarachchi (2014) has conducted a research on factors affecting to customer adoption of internet banking in Sri Lanka using a sample size of 108 respondents. The data were analyzed using the SPSS data analyzing package.

6. RESULTS

In the studied sample 57.5% were males and 42.5% were females, of which age of 45% respondents were aged between 18 to 30 years and rests of the respondents were aged above 31 years. This shows that the young people are keen to use new technological products similar to internet banking facility.

From these respondents 53.3% were married and 45% of them were unmarried. When examining the educational qualification of the respondents, 55% were having a secondary educational qualification and 34.2% were graduates. Apart from that 9.2% of the respondents were post graduates. The majority of the respondents in the selected sample were employees which represent 90% from the total sample size.

The statistical significance of all the parameter estimates was examined to determine the validity of the hypotheses. Table I provides the summary of hypothesis testing results. The study examines the relationships between the E-service quality

dimensions and its impact on customer adaptation to internet banking.

Hypothesis	Relationship	Status	Justification
H _{1a}	Information quality and customer adaptation to internet banking.	Accepted	r = 0.665 p < 0.01
H _{2a}	Website usability and customer adaptation to internet banking.	Accepted	r = 0.571 p < 0.01
H _{3a}	Reliability and customer adaptation to internet banking.	Accepted	r = 0.536 p < 0.01
H _{4a}	Responsiveness and customer adaptation to internet banking.	Accepted	r = 0.587 p < 0.01
H _{5a}	Privacy and customer adaptation to internet banking.	Accepted	r = 0.725 p < 0.01
H _{6a}	System availability and customer adaptation to internet banking	Accepted	r = 0.650 p < 0.01

Table 1: Summary of hypothesis testing

The developed hypotheses were tested to find the relationship between the independent and dependant variables. According to that six hypotheses were tested using the SPSS statistic version 20.0 software. Spearman's coefficient of rank correlations was calculated for each hypothesis. In order to test the hypothesis 1% level of significance was used in all hypotheses.

The analytical results showed that information quality has a significant moderate positive relationship with the customer adaptation to internet banking facility (r = 0.665, p < 0.01), providing support for hypothesis H1. The website usability, significantly and positively affect on customer adaptation to internet banking facility (r = 0.571, p < 0.01). Therefore hypothesis H2 is accepted. Moreover, reliability has a significant and positive impact on customer adaptation to internet banking facility (r = 0.536, p < 0.01), which supports the hypothesis H3. Furthermore, responsiveness has a significant, moderate and positive relationship with the customer adaptation to internet banking facility (r = 0.587, p < 0.01). Thus, hypothesis H4 is accepted. The results revealed that there is a significant, strong and positive relationship between the privacy and the customer adaptation towards the internet banking facility (r = 0.725, p < 0.01). Therefore hypothesis H5 is strongly supported. The system availability also provide a significant and positive impact towards the customer adaption to internet banking facility (r = 0.650, p < 0.01) which supports the hypothesis H6.

7. CONCLUSIONS

The research was conducted to identify the e-service quality dimensions and its impact on customer adaptation to internet banking facility. According to the developed conceptual framework, six e-service quality dimensions were tested to measure the impact on customer adaptation to internet banking facility.

The findings revealed that most of the customers are very much concern on their privacy when using the internet banking facility. Therefore privacy plays a major effect on customer adaptation to internet banking facility. In this case the "bank in concern" has performed well to provide a secured

online platform to carry out the online banking transactions as the privacy dimension has rank highest by the customers among the e-service quality dimensions.

The information quality, website usability, reliability, responsiveness and system availability has a moderate impact on customer adaptation to internet banking. Among these dimensions system availability and the information quality dimensions are feel more by the customers. The system availability dimension may rely on the performance of the equipments use by the customer to connect with the internet banking facility. Therefore in some instance the bank may not have full control over the system availability dimension.

Reliability dimension has identified as the least contributor for customer adaptation to internet banking facility. This concludes that the reliability dimension has a minimum effect on customer adaptation to internet banking facility. Furthermore based on the findings of the research most of the customers have shown dissatisfaction in following aspects with related to the responsiveness. Most customers agreed with the statements that 'bank doesn't provide prompt replies to inquires' and 'it is difficult to reach the bank with provided hotline number'. This has led the customers to not to use the facility regularly.

Though the information quality has ranked high by the respondents, when looking in to the measurement indicators of the information quality dimension, most of the respondents were agreed with the following statements: 'The internet banking facility doesn't provide accurate information, 'The information provided through the internet banking facility is not easy to understand'. This concludes that may be due to the difficulty in understanding the provided information clearly, the customers may feel that the information provided through internet banking facility is incorrect. Therefore these factors should be considered by the management and necessary actions should be taken to amend.

The findings of the conducted survey reveal that 40% of the respondents still believe the internet

banking facility doesn't reduce the the number of visits to the bank. This concludes that these respondents are not getting the desired services through the internet banking facility. Sometimes the customer may not familiar with the facility or may not aware about the services provide though the internet banking facility. Therefore they may have used to go to the bank do their banking transactions. Nevertheless, due to the lack of human interaction in an online platform, the bank should be able to provide a high quality service to retain the customers in the adaptation level.

8. RECOMMENDATIONS

The findings of the study have the following important implications for practitioners. These findings can be used by the management of the "bank in concern" as a guideline to initiate necessary actions leading to improve the service quality and the customer adaptation level of the internet banking facility.

First the study suggests that to enhance the customer satisfaction and to keep the customer in the adaptation level, the "bank in concern" should develop a proper system to address the customer inquiries promptly. The customers should be able to reach the bank comfortably through the given sources. The management should emphasis on this issue by either enhancing the system or expanding the internet banking call centre. Therefore the "bank in concern" should pay more attention on the responsiveness of the service provide through internet.

The quality of the information makes a considerable impact on customer adaptation to internet banking facility. The finding shows that the information provided through the internet banking facility is not easy to understand and therefore most of the customers tend to believe that the provided information are inaccurate. Therefore the "bank in concern" should pay attention to simplify and make it easy for the users to understand the information provided through the internet banking facility. Therefore foremost attention should be given to enhance the information quality of the service.

Another important implication of this study relates to the system availability and the customer adaptation to internet banking facility. The customer should be able to easily access to the internet banking website and perform banking transactions without any difficulty. Therefore the information technology department of the “bank in concern” can upgrade the internet banking facility to use under any internet base platform.

Apart from that the marketing department of the “bank in concern” can play a huge role in advertising the internet banking product among the bank customers. The one aspect that was identified through the survey is that the internet banking users are not aware of the services they can obtain through the internet banking facility. Hence they used to go the bank and fulfill their banking requirements. The marketing department can organize advertising and promotional campaigns to enhance the awareness of the internet banking product among the customers.

Though the customers are happy with the privacy, website usability and the reliability of the internet banking service, “bank in concern” should strive to exceed their customer expectations to retain the customers in adaptation level and also to create a positive word of mouth about the internet banking facility in the society. Therefore this will lead the bank to gain competitive advantages in a contemporary competitive business environment.

9. LIMITATIONS

This study experiences with several limitations. First, due to the time limitations of the researcher 120 questionnaires were gathered from the Colombo district to measure the e-service quality and its impact on customer adaptation to internet banking facility. Second, the research was mainly focused on the e-service quality of the organization on customer adaptation towards internet banking facility. But there can other factors like security and convenient which can be effected on the customer adaptation towards the internet banking. Third, since the survey data was done through a questionnaire which was circulated among the internet banking users of the “bank in concern” in Colombo district, the generalizability to the other parts of the country might be limited due cultural

and geographical differences. Finally due to various bank policies imposed by the “bank in concern” in order protect their privacy of the customer, the bank refrained providing sensitive details of the customers, which might have useful to strengthen the findings of the study.

10. DIRECTIONS FOR FURTHER RESEARCH

The study has several limitations which open the door for further research. First, the future researchers can test the theoretical frame with higher number of participants covering more areas in the country.

The theoretical framework was developed with six e-service quality dimensions to measure the customer adaptation to internet banking facility. Further research can be done using more e-service quality dimensions or different e-service quality dimensions to measure the impact on customer adaptation to internet banking facility.

Furthermore the theoretical framework which was developed to measure the e-service quality and customer adaptation to internet banking facility. This model can be used to test the other type of online services with necessary changes relevant to the research area of the study.

Finally further research can be done across different cultures to measure the e-service quality and its impact on customer adaptation to internet banking facility.

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