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Salaried Employees and Adoption of e-Banking Delivery Channel: A Literature Review

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Abstract: Over the last two centuries human race has created innumerable progresses in science, medicine and technology. The evidences of technology adaptation can be seen everywhere, from the large spacecraft to a small hand held smart phone. The dependencies on such technology have become inevitable and are now considered as the fourth necessity for life after air, water and food. In the current era of technology revolution, no industry in the world is untouched to the use of Information system and Banking Industry is no exception. Nowadays, banks are seeking alternative ways to provide and differentiate amongst their varied services. Customers, both corporate as well as retail, are no longer willing to queue in banks, or wait on the phone, for the most basic of services. Around the world, electronic banking services, whether delivered online or through other mechanisms, have spread quickly in recent years. This particular paper reviews the existing literature and tries to find the adoption characteristics and attitude of bank customers towards Electronic-banking (e-banking) delivery channels. During the course of literature review certain socio economic characteristics and demographic characteristics of bank customers has been found out in the context of electronic banking adoption and usage. The study tried to find out the research gap. Lastly the study also throws a light upon the existing positive relationship between e-banking satisfaction and spread of word of mouth and also the positive role played by e-banking delivery channels in developing loyalty.

Key words: Attitude, adoption, bank customers, delivery channels, e-banking.

1. Introduction

The industrialization brought seeds of change in the life style of man and his way of doing things. Many things that were performed by people hand and finger skills were carried away by the speed and efficiency of machines. Since industrialization lead to the invention of many new types of machinery so physical human labour involved in day to day activities got eliminated to a greater extent. Also with the development of different tools of information technology and communication the importance of physical strength diminished to a greater extent. However, the human brain required to be more functional. In the organizational set up the need of storing, retrieving and analysing of information became a basic necessity for successful governance in an organizational set up. Information became an inevitable part of the organization and managing information with the help of systems is of great necessity. Centuries ago people relied on one another because they were not aware of now how to manage the data they are exposed to. On the other hand in today's generation, almost every single transaction in the organization is dependent on

data for their companies to thrive and compete. In the current era of technology revolution, no industry in the world is untouched to the use of Information system and Banking Industry is no exception.

Ref [1] Opined that there have been tremendous growth and diversification in banking activities over last one-and-a half decades. Development of a sound and adequate information system has become a necessity to meet the challenges of growth and diversification. [2] highlighted that due to phenomenal increase in the size, spread, and activities undertaken by banks in India, because of increase in number of bank branches over last three decades and also with the entry of new banks, there is intense competition for attracting and retaining the customers. Under these circumstances, the use of computers and allied technologies has become inevitable to achieve a satisfactory level of customer service.

Internet has provided a paradigm shift in the working of banks, [3]. With the emergence of World Wide Web and networking technologies and also because of low cost of the networking communications, banks in India led to the integration of branches throughout the country. Centralized operations and process automation using core banking applications and IP-based networks improve efficiency and productivity levels tremendously. Core banking applications help a bank to shift from 'branch banking' to 'bank banking.' This basically means that a customer will be treated as a bank's customer than just the customer of a particular branch, which was the case that [4] pointed out. The growing applications of computerised networks to banking reduced the cost of transaction and increased the speed of service substantially [5]. Competition and urge for achieving large market share, banks in India started to provide different banking channels for the customers. This was possible because of development of sophisticated Information communication technology and networking models. Customers, both corporate as well as retail, are no longer willing to queue in banks, or wait on the phone, for the most basic of services [6].

As discussed by [7], progress in information technology has slashed the costs of processing information, while the internet has facilitated its transmission, thus bringing change in the very essence of the banking business. Around the world, electronic banking services, whether delivered online or through other mechanisms, have spread quickly in recent years. Ref [7] also highlighted that to cope with the pressures of growing competition, Indian commercial banks have adopted several initiatives and e-banking is one of them.

2. Objective

Though number of studies has taken place to find out the attitude, characteristics, perception and behavior of consumers towards electronic banking but practically very less study has been taken as regards to working people or employees of private, public or government enterprises i.e. the salaried employees. The main objective of the paper is to find out the research gap as regards to salaried employees and their attitude and adoption of e-banking delivery channel. Hence the paper tries to synthesize the available literature in order

1) To understand the conceptual nature of e-banking.
2) To identify the directions of earlier studies undertaken.
3) To identify the research gap of studies as regards to salaried employees.
4) To find out from relevant literature, the relationship between satisfaction of e-banking delivery channel and spreading word of mouth.
5) To find out from literature, the role of e-banking delivery channel services towards development of loyalty for the same.

3. Review Methodology

Electronic banking concept can be understood as a combination of Internet banking, mobile banking and

any other forms of electronic medium for personal banking. Thus the study reviewed the literature on all of the above from Google scholar, Emerald Insight, SpringerLink, Jstor, Science Direct and many others. A total of 54 studies were used for the current review study.

The following criteria were used to search the literature and select the papers:

- The keywords Electronic Banking, Internet Banking, Mobile Banking, Adoption, acceptance, satisfaction, word of mouth, Loyalty etc were used to search the titles and abstract of the papers.
- Journals, International journals, Conference papers, Masters Theses, doctoral dissertations, textbooks and unpublished working papers are searched and reviewed.

4. Concept of e-Banking

The definition of Electronic Banking varied from time to time. [8] defines Electronic Banking as provision of banking products and services through electronic delivery channels. e-Banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels [9]. Electronic banking refers to several types of services through which bank customers can request information and carry out most retail banking services via computer, television or mobile phone [10]-[13], for example, describes it as an electronic connection between bank and customer in order to prepare, manage and control financial transactions. Electronic banking can also be defined as a variety of following platforms: (a) Internet banking (or online banking), (b) telephone banking, (c) TV-based banking, (d) mobile phone banking, and e-banking (or offline banking).

A visible presence of e-banking was evident to the customers since 1981, with the introduction of the automated teller machine (ATM). Innovative banking has grown since then, aided by technological developments in the telecommunications and Information Technology industry. The early decade of the 1990s saw the emergence of automated voice response (AVR) technology. By using (AVR) technology, banks could offer telephone banking facilities for financial services. With further advancements in technology, banks were able to offer services through personal computers owned and operated by customers at their convenience, through the use of Internet proprietary software [14].Some of the important events in India in the field of e-banking are the arrival of card-based payments- Debit, Credit card late 1980s and 1990s, introduction of Electronic Clearing Services (ECS) in late 1990s, Electronic Fund Transfer (EFT) in early 2000s, RTGS in March 2004, National Electronic Fund Transfer (NEFT) as a replacement to Electronic Fund Transfer/Special Electronic Fund Transfer in 2005/2006 and CTS in 2007 [15].

The competition the then has been especially tough for the public sector banks (PSBs), as the newly established private sector and foreign banks have already sharpened their competitive edge. Private Banks was able to leverage on low-cost channels such as ATMs and Net banking to the optimum levels contributing to reduced operating costs. Banks have realized that shifting customer access to lower cost channels can help bring down operating costs [4]. Every bank then wanted to minimize their cost of operations for simple brick and mortar activities and hence thereby decided to provide different electronic delivery channels of banking activities by replacing human labour. With the introduction of Electronic means of banking and setting up of Automated Teller Machines, the first time banks started to empower the customer for his own transactions. According to [16] the pace at which technology in internet banking proceeds doesn't match with the customers' usage rate. Even though banks are more interested in adopting new technology to differentiate themselves in competitive market, they are not getting expected ROI. So is this the fault at the end of the technology or consumers' perception or consumers' lack of skills or will? The adoption of Electronic banking was inevitable since the early nineteen eighties. [2] highlighted that due to phenomenal increase in the size, spread, and activities undertaken by banks in India, because of increase in number of bank branches over last three decades and also with the entry of new banks, there is intense

competition for attracting and retaining the customers. Under these circumstances, the use of computers and allied technologies has become inevitable to achieve a satisfactory level of customer service.

5. Early Studies on e-Banking

The early studies on e-banking revolved around adoption of e-banking and the factors of adoption. The studies have been arranged in ascending order with respect to the year of study conducted. From the initial study of [17], it was found that educated people are more likely to use internet banking and since saving time has greater value for them, internet banking, guarantees reduction of the time needed for money transactions. [17] highlighted that consumers who have relatively more opportunity to use computer or internet in their workplace than others, their ability to use technologies related to computer or internet might be higher than others. [18] in his study, Dynamics of Internet Banking Adoption opposed all others by saying that 45 years old or more is more likely to adopt IB than younger generations between ages 13-24, Females are marginally more likely to adopt internet banking than males, People with higher education (Edu) are less likely to adopt internet banking than those with less education but agreed that high income group is more likely to adopt internet banking than low income group. [19] in his study,' Understanding Consumer Adoption of Internet Banking', reports key findings from an interpretive study of Australian banking consumer experiences with the adoption of internet banking. The paper provides an understanding of how and why specific factors affect the consumer decision whether or not to bank on the internet, in the Australian context. A theoretical framework is provided that conceptualizes and links consumer-oriented issues influencing adoption of internet banking. According to his findings time saving, convenience, habit, accessibility, security and privacy are some of the major influencers for internet banking. In the research of [16], he focused on what are the customer's perceptions about internet banking and what are the drivers that drive consumers. How consumers have accepted internet banking and how to improve the usage rate. His study revealed that education, gender, income plays an important role in usage of internet banking. [20] explores the major factors responsible for internet banking based on respondents' perception on various internet applications. His study tries to examine whether there is any relation with the demographic variable (e.g. gender) and respondents' perception about internet banking; and, whether the user and non-user perception differs. His results indicate that 'utility request', 'security', 'utility transaction', 'ticket booking' and 'fund transfer' are major features responsible for internet banking. [21] in their study of Mobile banking innovators and early adopters: How they differ from other online users found out that Demographics such as education, occupation, household income, and size of the household do not influence mobile banking adoption, while age and gender are main differentiating variables. [22] in his study mentioned that out of all respondents who have access to internet almost half of them use electronic banking. He also highlighted in his study that the main reasons for using EB were: convenience, availability and saving of time. In case of those not using EB (nearly 55%), the reasons given included: lack of social dimension and a lack of computing skills on their part.

Ref. [23] made a study with an objective of analysis the implementation of technology in Indian banks and understanding the customers' perception. The empirical findings in his study was provided as a guidelines to bankers to focus on the parameters on which they need to improve and spread the awareness of electronic banking products and services to each and every section of the society. In his findings it came into light that almost 52% of the Indian customers feel shy, hesitative and keep away from using e-banking transactions. Some other findings are like 45% of the respondents were using debit card for bill payment etc. 90.6% feel that online banking saves time etc. Like that many other facts were put before in his study. The research corroborated the conceptual framework stating that if skills can be upgraded there will be greater will to use internet banking by consumers. [24] said that high education group is most likely to

adopt internet banking. [25] also went against in his study Role of demographics, social connectedness and prior internet experience in adoption of online shopping: Applications for direct marketing. He said that Adopting online shopping is significantly decreased as consumers' age increases but says gender, education, occupation, marital status positively affects adoption. He also says that no evidence was found to support the effect of household size on overall adoption of online shopping the number of social activities attended or participated. In an Indian study of [26], 'e-banking: factors of adoption in India', highlighted that Demographics play an important role in the adoption of E banking facilities as we have seen that age & gender factor considerably affects the adoption [27] in their study of Internet banking adoption among mature customers: early majority or laggards? Says the reverse that as the household size increases, the use of Internet banking becomes more popular.

Thus almost all of the above studies conducted earlier concentrates mostly on the factors to be considered for adoption of electronic banking. The factors can be contributed to Demographic factors like; age, gender, etc. Socio economic factors like; Income, marital status, education level, household size, social connectedness, computer enabled work environment, time saving, computational skills etc. But the study of the all the literature cited above gives a clear picture of the differences of opinion and findings in their study. Hence the studies above though gives a direction on the contributing factors for adoption of electronic banking but it failed to provide a generalized indication of the positive or negative impact of the factors on adoption of e-banking.

6. Research Gap

A number of studies have taken place to find out the factors that impacts the adoption of e-banking banking specially Internet banking or mobile banking. Now we know that services sector is largest and fastest growing sector in the world economy, accounting largest share in total output and employment in most developed countries. The share of services sector in total GDP is 47 percent in low income countries, 53 percent in middle income countries and 73 percent in high income countries [28]. In India the [29] Economic Survey 2011-2012 points out that the Services Sector grew by 9.4%. The Survey reveals that the share of services in India's GDP at factor cost (at current prices) increased from 33.5 per cent in 1950-1 to 55.1 per cent in 2010-11 and to 56.3 per cent in 2011-12 as per Advance Estimates (AE). If construction is also included, the Service Sector's share increased to 63.3 per cent in 2010-11 and 64.4 per cent in 2011-12. Projecting the employment figures the Survey says that while agriculture continues to be the primary employment-providing sector, the Services Sector (including construction) is in second place. As per the National Sample Survey Organisation's (NSSO) report on Employment and Unemployment Situation in India 2009-10, on the basis of usually working persons in the principal status and subsidiary status, for every 1000 people employed in rural and urban India, 679 and 75 people are employed in the agriculture sector, 241 and 683 in services sector (including construction) and 80 and 242 in the industrial sector, respectively.

Ref. [24] said that high education group is most likely to adopt internet banking. Ref. [30] income levels and education play a vital role in their adoption and usage of tele-banking technology. Ref. [31] also opines that education level has a positive effect on adoption of e-banking. According to him consumers with more years of education are more likely to use Internet banking. Ref. [17] opined that educated people are more likely to use internet banking and since saving time has greater value for them, internet banking, guarantees reduction of the time needed for money transactions. Thus, employed or job holders have higher education levels and hence adoption of e-banking is more likely.

Ref. [31] points out that both white collared and blue collared workers have higher likelihood of adopting e-banking than those who are unemployed. Ref. [17] highlighted that consumers who have relatively more

opportunity to use computer or internet in their workplace than others, their ability to use technologies related to computer or internet might be higher than others. Therefore people from service category are in a better position to use internet banking or electronic banking.

Ref. [32] also said that occupation has an impact on adoption of internet banking. Ref. [23] made an occupation wise analysis of the respondents and found that 45% of the total respondents who use e-banking are from service category, business category occupies only 15% professionals are 7% of the total and students are 30% of the total. Since people in service category are exposed to computers and internet and hence more likelihood of banking over electronic media.

ATM is a well known E banking channel and according to [33] majority of the ATM card holders' occupation is salaried class respondents. According to the study of [34] conducted in India, electronic banking channel usage and their perceptions pertaining to overall characteristics of the bank, the salaried classification has the highest number among the respondents with 56.7%, followed by the business/self employed category with 29.1%. As discussed by [35] maximum respondents who use internet banking i.e. (48%) are engaged in service occupation, followed by business persons and self-employed professionals at 27% and 12.7% respectively. In the demographic study of [36] it can be inferred by combination of both Private and public sector banks respondents that people from service category are the majority followed by business category, who are aware about the different banking services provided by the banks like balance Enquiry, e-banking, Insurance Products, Mutual Funds, Funds Transfers, Mobile Banking, Tele Banking, Credit & Debit Card, and Various Loans Scheme etc. Ref. [37] wanted to find out Impact of e-banking on operational performance and service quality of banking sector in India, made a study of the personal profile of the respondents. He found that out of 400 respondents about 43.3% of the respondents are serviceman, 20.5% are businessmen and 17.5% are professionals who use the transactional websites i.e. e-banking enabled websites. Moreover in India 95% of the salaried class has bank accounts [38]. Thus there is a requirement to find out the attitude of salaried employees as regards to electronic banking delivery channels. Hence there is a clear research gap which tells us to undertake further research on the adoption characteristics of salaried section of the society.

7. Relation between Satisfaction of e-Banking Delivery Channel and Word of Mouth

Quality of product or service leads to customer satisfaction, which in turn leads to positive word of mouth about product or services. Ref. [39] says that many marketers consider word of mouth as one of the most powerful marketing communications, especially when expressed by a familiar and trusted person. Again in an organization or at work place, word of mouth communication is considered as an important component of workplace communication. The satisfaction on the e-banking delivery channel and specifically efficient, easy usability of the e-banking channels can also spread positive word of mouth among same class of people for adopting e-banking delivery channels. The studies related to banking and word of mouth can be highlighted with the help of following Table 1.

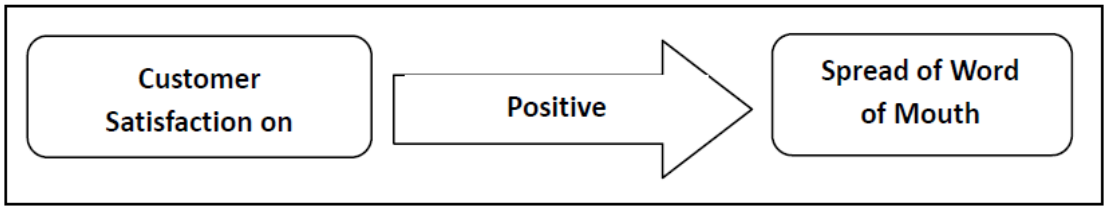

Fig. 1. Represents the positive relationship between customer satisfaction on e-banking and word of mouth.

Thus it is evident from the above literature that there is a positive relationship between satisfaction on banking services and Word of mouth communication.

Hence relationship between satisfaction on E banking delivery channels and spread of word of mouth is a crucial area on which study need to be undertaken with salaried employees as the target group of population.

Table 1. Literature Review Concerning Satisfaction on e-Banking and Word of Mouth

Sl no.	Name of the Study	Author(s)	Findings from the Study
1	Customer Service Quality in the Greek Cyproit Banking Industry	[40]	Positive word of mouth about banks is customer recommendation of the bank to others.
2	The Role of Trust, Positive Word of Mouth and Sociodemographic Characteristics in e-banking Services Adoption	[41]	Positive word of mouth is one of the factors associated with adoption of e-banking
3	Assessing Serviceability and Reliability to Affect Customer Satisfaction of Internet Banking	[42]	Customer satisfaction refers to the degree to which customers are satisfied and pleased with their online banking experience.
4	The Behavioral Consequences of Service Quality	[43]	Positive word-of-mouth turns into favorable displays of service utilization, before others, including potential clients.
5	Self-service technology and the consumer Behaivour in Portugese Financial Services	[44]	There is a positive correlation between the rate of satisfaction and the positive word-of-mouth, i.e., satisfied consumers are more inclined to express the preference for their bank and recommend it to others.
6	The Impact of Customer Satisfaction on Word-of-Mouth: Conventional Banks of Malaysia Investigated	[45]	Customer satisfaction has a strong positive impact on WOM
7	The Effect of Pleasure and Arousal on Satisfaction and Word-of-Mouth: An Empirical Study of the Indian Banking Sector	[46]	Satisfaction has a significant positive impact on WOM communication.

8. Role of e-Banking Delivery Channel towards Development of Loyalty

Banking organizations looking for sustainable business and competitive edge will always try to retain and increase number of customers and since e-banking is a way of retaining and increasing customers through innovation diffusion hence service quality and usability of the e-banking delivery channels are a major concern. Usability evaluates the quality of user interaction with the site. Lost business happens daily at many online banks due to poor usability of their websites. Research shows that 50% of prospective customers registering for online banking bail out before signing up, mostly due to problems navigating the site, completing online forms, security fears, and understanding content and feedback [47]. The study of [48]

says that Customer loyalty has been largely studied in consumer and service market context. Customer loyalty is viewed as the strength of the relationship between an individual's relative attitude and repeat patronage [48]. They also pointed out that customer loyalty is not only a behavioral phenomenon, besides the behavior aspects, loyalty refers to the attitude of a customer. The following Table 2 discusses the literature related to banking service and loyalty development.

Table 2. Literature Review on e-Banking Delivery Channel Service and Loyalty

Sl no.	Name of the Study	Author(s)	Findings from the Study
1	The relationship between service quality and customer loyalty, and its influence on Business on Business Model Design	[49]	There is a high correlation coefficient between service quality and customer loyalty.
2	Customer Loyalty In an Internet banking Context.	[50]	When customers were visiting the branch, loyalty developed in the interaction between customer and personnel, while today, when using Internet banks, loyalty is more likely to derive from things as user-friendly sites combined with personal contact when the customer needs it.
3	Effect of e-banking Services on Customer Value and Customer Loyalty :An applied Study on Jordanian Commercial Banks	[51]	There was a significant positive effect of e-banking Services on Customer value and Customer loyalty.
4	Impact of internet on customer loyalty in Swedish banks	[52]	Internet can be used to support activities in creating loyal customers.
5	Special report of the wall street Journal	[53]	Banks' online bill pay made customers more satisfied with banks' service and more likely to stay with a bank and shop for more profitable products.
6	Customer Retention in the Financial Industry: An Application of Survival Analysis	[54]	That Offering a multi-channel portfolio of service could be a means of satisfying customers' needs and could lead to increased customer satisfaction and hence increased customer loyalty.

Thus the e-banking delivery channel has a positive role to play in developing customer loyalty and hence specifically the role of e-banking delivery channels in developing loyalty among salaried class of people is needed to be found out (see Fig. 2).

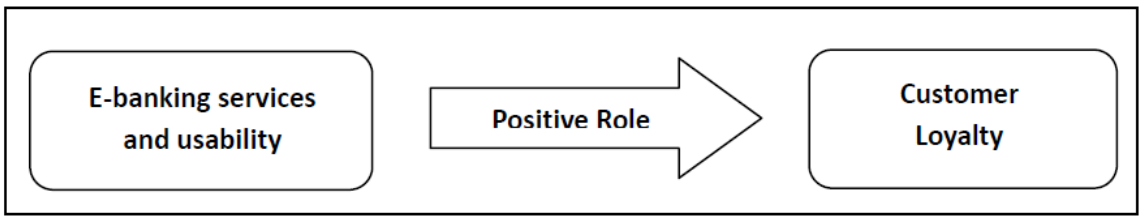

Fig. 2. Represents the existing positive role of e-banking services on customer loyalty.

9. Conclusion and Future Research

Banking organizations looking for sustainable business and competitive edge will always try to retain and increase number of customers. Since e-banking is a way of retaining and increasing customers through innovation diffusion hence proper utilization of the e-banking delivery channels are a major concern. From the literature review it is evident that study need to be carried out on a specific segment of the population i.e. the salaried employees. The literature review shows that there is an influence of demographic, socio economic factors in adoption of e-banking. Thus socio economic and demographic effect in adoption of

e-banking for a specific group of population i.e. the salaried section of the society needs to be studied. The literature study also gave us important facts like, first the positive relationships between e-banking satisfaction and word of mouth; second the positive role of e banking delivery channel in developing customer loyalty. Now it is required to find out whether these two important facts also comply with a specific group of bank customers i.e. the salaried employees or not. Again further research can be done with larger area of study or also at different cities to better generalize the relationships. Research can also be done to find out whether the important factors like satisfaction, loyalty and word of mouth differs in urban area compared to rural area.

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Role of E-Banking Delivery Channel in Developing Loyalty: A study on Salaried Employees

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Abstract

Banks all over the world are nowadays seeking alternative ways to provide and differentiate amongst their varied services. Generally in traditional banking there was a single delivery channel of the banking services to the customer i.e. only branch banking. Whereas in modern day banking there are different alternative delivery channels which are mostly branchless banking dependent on technology better known as electronic banking. Now we know that positive value added services generate loyalty among customer towards the service or the product. Again since electronic banking services are one of the value added services for a bank customer, an attempt has been made in the paper to find out the role of such delivery channel services in developing loyalty among the customers. Here the study is administered on a specific group of population i.e. the salaried employees. The study revealed that there is a positive effect of E-Banking services on both Behavioural loyalty and Attitudinal Loyalty and also as a whole on customer loyalty among the salaried employees.

Key words: Salaried Employees, E-Banking, Loyalty, Delivery Channel, Banking services

Introduction

The urge for automation in banks and the cut through competition lead to the development of different alternative banking delivery channels. This was possible because of development of sophisticated information communication technology and networking models. Competition and the constant changes in technology and lifestyles have changed the face of banking. Nowadays, banks are seeking alternative ways to provide and differentiate amongst their varied services. Customers, both corporate as well as retail, are no longer willing to queue in banks, or wait on the phone, for the most basic of services (Komal & Rani, 2012). (Patrick, 2003) Says, core banking applications helped a bank to shift from 'branch banking' to 'bank banking.' One of such most discussed developments is electronic banking delivery channel. In the context of banking, the distribution channel is known as delivery channel. According to (Kotler & Armstong, 1999), a distribution channel is a set of interdependent organizations (intermediaries) involved in the process of making a product or service available for use or consumption by the consumer or business user. Generally in traditional banking there was a single delivery channel of the banking services to the customer i.e. only branch banking. Whereas in modern day banking there are different alternative delivery channels which are mostly branchless banking dependent on technology better known as electronic banking.

Background Literature

As the context of the study is concentrated on Electronic Banking Services and its effect on Customer loyalty, hence it is natural to understand the concept of Customer loyalty and E-Banking Services.

Concept of Electronic Banking

Electronic banking is a high-order construct, which consists of several distribution channels. It should be noted that electronic banking is a bigger platform than just banking via the Internet (Nasri, 2011). The definition of Electronic Banking varied from time to time. (Neisture, 2003) defined Electronic Banking as provision of banking products and

services through electronic delivery channels. E-banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels (Salehi, 2010) . Electronic banking, also known as electronic funds transfer (EFT), is simply the use of electronic means to transfer funds directly from one account to another, rather than by check or cash (IN.gov). Some common types of E-Banking Delivery Channels are Internet Banking, Mobile Banking, ATM/Debit Card, and Credit Card.

E-banking Service Characteristics

The characteristics of E-banking have been summarized into four categories: **Ease of Use, Cost Saving, Usefulness** and **Self control** from the view point of customer benefits.

Table 1: Characteristics of E-Banking Services

Characteristics	Findings	Author(s)
Ease of Use	Ease of use is one of the important to use internet banking.	(Soon, Soon, & Na, 2013), (Davis, 1989)
Cost Saving	E-banking services offer a perfect opportunity for minimizing costs.	(Clemes, Gan, & Du, 2012), (Auta, 2010 , (Singh, 2013)
Usefulness	Usefulness is the most critical variables in predicting whether a technology tends to be used or not.	(Davis, 1989), (Soon, Soon, & Na, 2013)
Self control	Self control transaction have more potential for greater customer satisfaction and retention	(Ho & Ko, 2008), (Iyenger & Belvalkar, 2009)

Concept of Loyalty

Customers are always been important for business. With the high rate of competition in every market, it is critical to retain the customer/ loyal customers (Singh & Khan, 2012). Customer satisfaction isn't enough anymore, it is needed to cross the bridge from customer satisfaction to customer loyalty. (Rai & Srivastava, 2012) highlighted that competition has resulted in fewer possibilities for differentiation & to tackle such pressure to utilise the intangible human interface involved in service & thus include customer loyalty in strategic objectives.

According to (Oliver, 1999) **Loyalty** is defined as a deeply held commitment to re buy or re-patronize a preferred product/service consistently in the future ,thereby causing repetitive same-brand or same brand-set-purchasing , despite situational influences and marketing efforts having the potential to cause the switching behaviour.Customer loyalty can be defined as the adherence of customers to a company. Even if businesses make mistakes, loyal customers will not leave (Ganiyu, Uche, & Elizabeth, 2012). Again (BOBÂLCA, 2013) says that loyalty is a phenomenon which the result of behavioural preferences for a specific brand from a set of similar ones. In some researches customer loyalty was thought of more a behavioural concept (Hallowell, 1996), (Homburg & Giering, 2001). But other researchers found that behavioural conceptualisation does not correctly differentiate true loyalty from fake loyalty (Day, 1969). Thus few studies emphasised on attitudinal concept of loyalty (Oliver R. L., 1997), (Berne, Mujica, & Yague, 2001). Hence to evaluate loyalty both the behavioural and attitudinal concepts are required to be measured.

Attitudinal Loyalty can be defined as a consumer's identification with a particular service provider and preference of a product or service over alternatives (Shih I, 2011).Attitudinal loyalty is investigated in terms of attitudes, preferences, commitment and intentions (Söderlund, 2006). It is defined as a consumer's desire to continue his relationship with the company in spite of the lower prices of the competing companies and to recommend the products or the services to his friends (BOBÂLCA, 2013).

Behavioural Loyalty is defined as Customers' intentions for repeat patronage, repeat purchase, and actual purchase behaviour (Shih I, 2011).The behavioural perspective fits with the concept of retention, under the assumption that no matter

what the sources of loyalty are, this means an unspecified number of repeated acquisitions from the same supplier, in a specific period of time.

E-loyalty

The rapid change in technology and use of World Wide Web has changed company's strategy from loyalty to E-Loyalty. The concept of e-loyalty extends the traditional loyalty concept to online consumer behaviour (Muhammad & Hashmi, 2005). (Schultz, 2000) defined customer/brand loyalty in cyberspace as an evolution from the traditional product driven, marketer controlled concept towards a distribution driven, consumer controlled, and technology facilitated concept. The e-loyalty may be defined as the act or a deeply held so called intension to repeat purchase of a product or services of preferences in a consistent manner from an online vendor in the upcoming near future, even though there is a presence of other factors or circumstance that can cause switching behaviour or a change of customer mind to purchase another product (Oliver, 1999).

The term e-loyalty is applicable to consumers who are likely to buy from the same website, rather than switch to other websites (Winnie, Lo, & Thurasamy, 2014). E-loyalty is defined as perceived loyalty of customers towards websites and their intention to visit the same website on their second purchase (Winnie, Lo, & Thurasamy, 2014).

Relationship between Electronic Banking Services and Customer Loyalty

Electronic banking has emerged to provide more value to the customers and hence it would have an impact on loyalty. Different studies shows how E-banking services are developing loyalty among the customers and the factors associated with such loyalty development. Few of the studies that can be highlighted are:

Table 2: Relationship between Electronic Banking Services and Customer Loyalty

Author(s)	Findings
(Jansson & Letmark, 2005)	Increased use of Internet Banking effects loyalty. When customers were visiting the branch, loyalty developed in the interaction between customer and personnel, while today, when using Internet banks, loyalty is more likely to derive from things as user-friendly sites combined with personal contact when the customer needs it.
(Camhi, 2013)	A recent survey suggested that banking customers care more about convenience than customer service or fees in choosing a bank, and mobile banking customers are some of the most loyal a bank can find
(Hamid, 2012)	There was a significant positive effect of E-Banking Services on Customer value and Customer loyalty.
(Alam & Khokar, 2006)	Internet can be used to support activities in creating loyal customers.
(Agaga & Nor, 2012)	Customer e-loyalty is directly affected by satisfaction, trust, and sense of belonging among internet banking users.
(Miles, 2002)	In a special report of the wall street Journal, it was stated that banks' online bill pay made customers more satisfied with banks' service and more likely to stay with a bank and shop for more profitable products.
(Wallace, Giese, & Jhonson, 2004)	Offering a multi channel portfolio of service could be a means of satisfying customers' needs & could lead to increased customer satisfaction and hence increased customer loyalty.

Research Framework and Hypothesis

From the literature above we find that there exist some relationship between Electronic banking services and loyalty development. But the difference of the current study with previous studies is that, firstly most of the previous studies have taken internet banking as the banking delivery channel whereas in the current study all the electronic delivery channels are considered. Secondly the current study deals with specific group of population i.e. the salaried employees. The target population is chosen as salaried employees because number of literature suggest, salaried employees are in a better position to adopt electronic banking delivery channels to cite (Pandian & Sharma, 2012, Gupta & Bansal, 2012). Here we assume

that E-banking delivery channels services as independent variable and loyalty as dependent variable. Hence the hypothesis can be given as:

H: Customers using E-banking delivery channel services are more loyal to the same compared to those customers who are not using those channels.

Research Methodology

Regression analysis is done when both dependent and independent variable are metric variable (Parasuraman, Krishnan, & Grewal, 2006) and thus though E banking delivery channel services (independent variable) and Loyalty (dependent variable) are qualitative, are converted to ordinal or metric data by Likert scales. 7-point Likert scales, ranging from 1 (strongly disagree) to 7 (strongly agree) have been adopted. The study involved both primary and secondary sources. For primary sources structured questionnaires were used consisting of 24 questions based on (Hamid, 2012), (Ho & Ko, 2008).

E-banking services are measured by 16 items divided into 4 characteristics: Ease of Use, Usefulness, Cost Saved and Self control. The other variable Customer Loyalty was measured by 8 items but 1 item deleted to increase the reliability. Thus 7 items are divided into 2 characteristics Attitudinal Loyalty and Behavioral loyalty.

According to the objective, we are concerned with those subjects who use electronic banking delivery channels and at the same time are salaried employees. An error of 5 % will require a sample of approximately 400 units. The sample was collected from all districts of Southern Assam, based on post stratified random sampling to maintain proportional allocation of sample from each bank under consideration. Reliability tests were conducted to ensure the validity and precision of the statistical analysis and accordingly Cronbach's Alpha(α) for the main constructs were calculated and was found that all the two main constructs fall in the acceptance range i.e. $\alpha > 0.6$ as cited by (Jan, Abdullah, & Shafiq, 2013), (Azad & Esmaeili, 2012) and many others.

Table: 3 Descriptive Statistics

No.	Constructs	No of Items	Mean Average of All Items	Std. Deviation Average of All Items	(α)Coefficient
1	E-Banking Services	16	2.59	1.247	0.785
2	Customer Loyalty	07	2.395	1.193	0.731
3	All Constructs	23	2.49	1.220	0.854

The gender wise distribution of the sample is such that the sample comprises of 359 males against 41 females with percentages 89.8% and 10.2% respectively. Most of the respondents were found to belong to government employees with 68.3% followed by private sector 15.5% and public sector with 48.5%. The reason may be attributed to less private jobs availability in the study area. Age-wise distribution shows that we have maximum of the respondents belonging to the age group 51 and above with 39.8%, followed by age group 41-50 with 25.8%, 31-40.

Hypothesis Testing

To test the hypothesis, statistical package SPSS has been used. To test this hypothesis, two sub hypotheses have been derived, because each construct has many dimensions. Attempt has been made to test the effect of each dimension of E-banking delivery channel services (Ease of Use, Usefulness, Cost Saved, Self Control) on each dimensions of customer loyalty (Attitudinal Loyalty, Behavioral Loyalty) separately by multiple regressions and then E-Banking services on overall customer loyalty by simple regression. The sub hypotheses are as follows:

H1: There is effect of E-Banking delivery channel services dimensions on Attitudinal Loyalty.

H2: There is effect of E-Banking delivery channel services dimensions on Behavioral Loyalty.

Results and Discussion

Many statistical Criterions have been taken into analysis. Simple and multiple regression has been conducted , F test for estimated equation significance, t- test for effect significance of independent variable (ID) on dependent variable (DV) and coefficient of determination (R^2) to access how well a model explains and predicts future outcomes.

Testing of Hypothesis 1

H1: There is effect of E-Banking delivery channel services dimensions on Attitudinal Loyalty.

In Table 4, we find that R square is 0.507, which means the independent variables (Ease of use, Usefulness, Cost saved, Self control) together are 50.7% responsible in explaining the dependent variable (Attitudinal Loyalty). The overall regression is significant with F value 101.661 with p value 0.000 <0.05. The independent variables Usefulness (0.000), Cost Saved (0.000), Self Control (0.000) are significant with $p < 0.05$. Thus, we accept the hypothesis H1 that there is a relationship between E-Banking delivery channel services dimensions and Attitudinal Loyalty.

The regression equation can be written as

Attitudinal Loyalty = 0.102 + 0.023 × *Ease of use* + 0.256 × *Usefulness* + 0.522 × *Cost Saved* + 0.211 × *Self Control*

Table 4: Multiple Regression of Effect of E-Banking Characteristic on Attitudinal Loyalty

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.102	.613		.166	.868
	Ease of use	.023	.031	.032	.760	.448
	Usefulness	.256	.067	.153	3.829	.000
	Cost saved	.522	.047	.487	11.173	.000
	Self control	.211	.052	.191	4.034	.000
a. Dependent Variable: Attitudinal loyalty						
R Square = 0.507; F= 101.661; p = 0.000						

Testing of Hypothesis 2

H2: The effects of E-Banking delivery channel services dimensions on Behavioral Loyalty

Table: 5 Multiple Regression
Effect of E-Banking Characteristic on Behavioral Loyalty

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.355	.504		.704	.482
	Easeofuse	.047	.025	.087	1.860	.064
	Usefulness	.110	.055	.088	1.993	.047
	Cost saved	.276	.038	.344	7.191	.000
	Self control	.225	.043	.273	5.248	.000
a. Dependent Variable: Behaivoural loyalty						
R Square =0.408; F= 67.984; p = 0.000						

From Table 5, we find that R square is 0.408, which means the independent variables (Ease of use, Usefulness, Cost saved, Self control) together are 40.8% responsible in explaining the dependent variable (Behavioral Loyalty).

The overall regression is significant with F value 67.924 with p value 0.000 <0.05. The independent variables Usefulness (0.047), Cost saved(0.000), Self control(0.000) are significant with $p < 0.05$. Thus we accept the hypothesis H2 that there is a relationship between E-Banking delivery channel services dimensions and Behavioral Loyalty.

The regression equation can be written as:
Behavioral Loyalty= 0.355 + 0.047 × Ease of use + 0.110 × usefulness + 0.276 × Cost Saved + 0.225 × Self Control

Effect of E-Banking on Customer Loyalty

Now simple regression is conducted to find out the relationship between E banking Services and Overall customer loyalty. From the Table 6, we find that the value of R Square is 0.481 which means E- Banking Services as an independent variable explains 48.1% variation in the Dependent variable Customer Loyalty. The simple regression is a good fitting for the relation between E- Banking Services and the Customer Loyalty with F value 368.727 with significance 0.000<0.05. The independent variable E-banking services is also significant at 0.000<0.05. Thus we can conclude that there is a positive effect of E-Banking Services on Customer Loyalty.

The Regression equation is given by:

Customer Loyalty= 0.447+ 0.372× E banking service.

Hence we confirm the hypothesis H that
"Customers using E-banking delivery channel services are more loyal to the same compared to those customers who are not using those channels"

Table: 6 Simple Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.447	.836		.535	.593
	E banking service	.372	.019	.693	19.202	.000
a. Dependent Variable: Customer loyalty						
R Square = 0.481 F = 368.727; p =0.000						

Conclusion

Value added services were always seen to create loyalty among the customers in service industry and banking industry is no exception. Electronic banking as a value added services in banking industry is seen to develop loyalty among the customers. The benefits of E- Banking services like ease of use, self control, usefulness and saving of cost in terms of money and time, were largely accepted by the customers and these core characteristics are found to develop loyalty among customers. In traditional banking loyalty was found to establish during the physical interaction of customers with the banks but in this era, the traditional loyalty changed to E- Loyalty where loyalty develops in virtual interaction with the bank. This is beneficial for the banking organizations to understand that nowadays customers can be retained more with better services through electronic banking. Loyalty is a complex psychological behaviour which cannot be directly measures and thus in this study attempt has been taken to measure this psychological aspect through series of related questions and come to the conclusion. Loyalty have been divided between attitudinal loyalty and behavioural loyalty and it has been found that usefulness, cost saved and self control are much more related in establishing loyalty among banking customers through Electronic Banking services. If it would have been done with other theories or literature, the result might have come out

different. For a banking organization, the technical team should give much emphasis to usefulness, cost saved and self control of banking services through E-banking delivery channel. They must provide more privileges and mechanisms to establish a sense of belongingness to the customer. Along with developing innovative techniques to encourage E-banking use, customer should be made aware of the benefits of E-banking use.

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