CHAPTER 3

E-BANKING DELIVERY CHANNELS IN DEVELOPING LOYALTY

3.1 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 and 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.

3.2 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. Nitsure (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 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 (Daniel, 1999); (Mols, 1998); (Sathye, 1999); (Burr, 1996), 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. 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). E-banking includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the internet. Customers access E-banking services using an

intelligent electronic device, such as a personal computer (PC), personal digital assistant (PDA), automated teller machine (ATM), kiosk, or Touch Tone telephone. (EFIEC).

Through electronic banking one can withdraw money from ATM, can instruct bank or debtors to automatically deduct money from bank account, transfer fund from one account to the other and many other financial transactions can be done easily away from the bank branch.

3.2.1 Common types of E-Banking Delivery Channels

The common electronic banking delivery channels can be explained as:

3.2.1.1 Internet banking

Internet banking allows customers to make use of banking services from their web-enabled computers twenty-four hours a day, seven days a week, wherever they are located (Wungwanitchakorn, 2002). Internet banking can be described as the provision of information or services by banks to their customers, via the internet network. At the basic level, Internet banking involves a bank setting up a World Wide Web (WWW) site to provide information about its products and services (Daniel, 1999); (Sathye,1999); (Karjaluoto, Mattila and Pento, 2002). Customers can manage their banking affairs when they want, and they can enjoy more privacy while interacting with their bank. It has been claimed that internet banking offers the customer more benefits at lower costs (Mols, 1998). It makes available to customers a full range of services including some services not offered at branches. Internet banking has the advantage that the customer avoids traveling to and from a bank branch. In this way, internet banking saves time and money provides

convenience and accessibility (Karjauloto, 2002) (Nasri, 2011). Generally internet banking is performed by laptop or PC connected to the internet.

3.2.1.2 Mobile Banking

Mobile banking has emerged as a wireless communication channel for creating value by customers in banking transactions (Rahman, Tahvildari, Honarmand, Yousefi, and Daghighi, 2012). Mobile banking can be defined as the ability to conduct bank transactions via a mobile device, or more broadly – to conduct financial transactions via a mobile terminal (Petrova, 2001). Mobile banking allows consumers to perform banking services (*i.e.* alerts, banking transactions and balance enquiries) with the use of their mobile devices (Barnes and Corbitt, 2003).

Mobile banking could be defined as a facility which provides banking services such as balance enquiry, funds transfer, bill payment, and transaction history via a user's mobile phone (Cudjoe, Anim, and Nyanyofio, 2015). The author in (Kondabagil, 2007) defines mobile banking as an occurrence "when customers access a bank's networks using cellular phones, pagers, personal digital assistants, or similar devices through telecommunication wireless networks". Mobile banking (m-banking) could also be defined as an application of mobile commerce that enables customers to bank virtually at any convenient time and place (Suoranta, 2003).

3.2.1.3 ATM Kiosk and Debit cum ATM card

The definitions of debit cards vary somewhat across countries (Chakravorti & Amromin, 2007). An ATM transaction typically involves withdrawing cash from an ATM machine. The consumer presents an ATM card, which is issued by the

bank holding his or her checking account, at an ATM terminal, which may or may not be owned by the same bank. The consumer enters a personal identification number (PIN) to verify identity, the checking account is checked for adequate funds, and if everything is satisfactory, cash is issued. All of this is routed across one or more ATM networks (Weiner, Sullivan, & Hayashi, 2003).

3.2.1.4 Credit Card

Credit cards have emerged as the most widely used means of financial transactions. These plastic cards have become the best solution for those who do not have money at present, but want to fulfill their needs (Varaprasad, Chandran, Sridharan and Unnithan, 2013). A credit card allows borrowing money from the bank to make purchases. As long as the money is returned within grace period, extra interest need not be paid but if it crosses the grace period extra interest above the borrowed money need to be paid to the credit card provider (Audette). (Business Dictionary) defines credit card as standard size plastic token, with a magnetic stripe that holds a machine readable code. Credit cards are a convenient substitute for cash or check, and an essential component of electronic commerce and internet commerce. Credit card holders (who may pay annual service charges) draw on a credit limit approved by the card-issuer such as a bank, store, or service provider (Business Dictionary).

3.2.2 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. The appearance of a website, ease of navigation and customer oriented

user interface attract a positive customer response and vice versa (Sarlak and Hastiani, 2011). Ease of use seems to be one of the important to use internet banking (Sarlak and Hastiani, 2011). As far as usefulness is concerned perceived usefulness and ease of use are the most critical variables in predicting whether a technology tends to be used or not (Sarlak and Hastiani, 2011). According to (Soon, Soon, & Na, 2013) ease of use and usefulness are important factor for actual use of E-banking. Again in the study of (Kasheir, Ashour, and Yacout, 2009), ease-of-use was found to be the strongest predictor of intentions to continued usage of internet banking services. Ease of use, usefulness and credibility were found to be significant antecedents of the intention to use the internet banking system (Hasan, Thomas, and Mansour, 2013). The ease of use and usefulness can be defined according to the technology acceptance theory put forward by (Davis, 1989). According to him Ease of Use is defined as the degree to which a person believes that using a particular system would enhance his or her job performance. The word 'ease' means, freedom form difficulty, hardship or effort. In short, ease of use means 'user friendliness' of IS. Whereas Usefulness is defined as the degree to which a person believes that using a particular system would be free of effort. This follows from the definition of the word useful: "capable of being used advantageously (Davis, 1989).

Clemes, Gan, and Du (2012) said that online banking customers are significantly satisfied with the cost saved made through banking on the internet. Online banking provides transaction related benefits such as cost saving and time saving (Auta, 2010). Internet Banking leads to impressive time and cost saving (Hiltunen, Heng, and Helgesen, 2004). According to Singh (2013), there are lots of advantages of

internet banking services like; time saving, minimum efforts, cost saving, easiness and many more. Kim, Widdows, and Yalmazer (2005) opined that primary advantage of internet banking is time and cost saving. Luštšik (2004) said that electronic channels help reduce the costs of both banks and their clients. As far as (Xu, Wilkes, and Shah, 2006), customers who choose online banking, the notable benefits are time saving cost saving. (Daniela, Bolyai, & Simona, 2010), online banking have fee reduction for online payments to reduce number of clients visiting banks and also time saving and reduced expenses by avoiding transportation to and from banks. In the study of "the role of e-banking in reducing transport costs: A case study of Harare", Maunganidze, Madzudzo, Mbara, and Nyarirangwe (2008) said that usage of E-delivery channels definitely reduces transportation costs thereby saving overall cost of banking by customer. Automated E-banking services offer a perfect opportunity for minimizing costs (Luštšik, 2004). Costs saved may be defined as the cost that relates to the amount of time and money saved when using an innovative self-service. Costs in terms of money and time are negative factors when customers assess the value of the service (Ho and Ko, 2008) (Hamid, 2012)**.** From the study of (Ho and Ko, 2008), it was found that self control along with ease of use, usefulness, costs saved, demonstrated positive effect on customer value and customer readiness towards internet banking. Banks nowadays encourage online banking because, self control transaction have more potential for greater customer satisfaction and retention (Iyenger and Belvalkar, 2009). Mittal and Jain (2008), in their study said that service providers must understand the attributes that customers look when consuming services and factors like personal attention, self control etc. From the results of the study of (Khadem and Mousavi, 2013), it was found that usefulness;

cost reduction and self control positively influence continuous internet banking. According to (Gailliot, 2007) Self-control (or self-regulation) can be defined as the ability to control or over-ride one's thoughts, emotions, urges, and behavior. Self-control allows for the flexibility necessary for successful goal attainment. An individual with self-control has the power of predictability, controllability, and outcome desirability (Ho and Ko, 2008).

3.3 Concept of Loyalty

Customer satisfaction, loyalty and word of mouth etc has always been marketing concern for organizations selling both product and service. There was a time when organizations were few and competition was minimal. Managers at that time were not that much concerned regarding customer satisfaction, loyalty etc. Customers' attitudes have changed a lot from earlier time. They are now much more critical and vocal for unsatisfactory services since options available to them are plenty. Customers are always been important for the business. With the high rate of competition in every market, it is critical to retain the customer/loyal customers (Singh and Khan, 2012). Singh and Khan (2012) also says that customer satisfaction isn't enough anymore, it is needed to cross the bridge from customer satisfaction to customer loyalty. Rai and Srivastava (2012) highlighted that competition has resulted in fewer possibilities for differentiation and to tackle such pressure to utilise the intangible human interface involved in service and 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 and Elizabeth, 2012). Kincaid (2003) defines customer loyalty "as a consumer behaviour, built on positive experience and value, which leads to buying products, even when that may not appear to be the most rational decision (Ganiyu,Uche and 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 and 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 (Dick and Basu, 1994), (Oliver, 1997), (Berne, Mujica, and Yague, 2001). Hence to evaluate loyalty both the behavioural and attitudinal concepts are required to be measured.

The 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 (Dick and Basu, 1994) (BOBÂLCA, 2013).

Behavioural Loyalty is defined as Customers' intentions for repeat patronage, repeat purchase, and actual purchase behaviour (Shih , 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.

3.3.1 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 and Hashmi, 2005). Schultz (2000) defines 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 (Zhao and Ngamkroeckjoti, 2014) (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 (Flavián, 2006) (Winnie, Lo, and Thurasamy, 2014). In this study, 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, and Thurasamy, 2014).

3.4 Relationship between E-Banking Services and Customer Loyalty

Electronic banking have 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 3.1 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)	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, and Jhonson, 2004)	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 from the literature above we find that there exist some relationship between electronic banking services and loyalty development. But the differences of the current study with previous study are, 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.

3.5 Methodology

This study involves multiple variables such as E-banking delivery channels services and its relation to another variable i.e. loyalty development. Multivariate analysis methods are defined as statistical procedures that involve the analysis of more than one variable at a time, with an emphasis on modeling the relationships between such variables. Multivariate analysis methods are broadly classified into two categories: dependence and interdependence techniques. A dependence technique is one where a single variable or a set of variables is identified as the dependent variable to be explained or predicted by other variables known as explanatory or independent variables. An interdependence technique involves the simultaneous analysis of all variables in the data set; variables are not classified as dependent or independent (Chakraborty & Reader, 2010). Here we assume that E-banking delivery channels services as independent variable and loyalty as dependent variable. Thus, we can use the dependence technique of multivariate analysis where regression analysis, ANOVA and discriminant analysis are the different tools of dependence technique of multivariate analysis (Parasuraman, Krishnan, & Grewal, 2006). Now regression analysis is done when both dependent

and independent variable are metric variable (Parasuraman, Krishnan, and 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. Whereas other techniques such as ANOVA (dependent variable is metric and independent variable is non metric) and discriminant analysis (dependent variable non metric and independent variable metric) (Parasuraman, Krishnan, and Grewal, 2006), are discarded for similar type of studies as this one.

Hence, the study methodology for the objective 2 is selected which is based on analytical descriptive method using an applied manner which follows the work of (Hamid, 2012). According to the study, cause and effect constructs were developed on three dimensions and cause and effect relationships were measured. Three constructs included in his study were E-banking services, customer value and customer loyalty. In the current study the construct customer value has been left out.

The cause construct described here in current study is the E banking Delivery channels service and effect construct is the Customer loyalty.

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.

3.5.1 Tools to be used

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).

For statistical analysis IBM SPSS 19 is used and Cronbach's Alpha (α) test is conducted to test Reliability of the applied questionnaires and it has been found that the value of Cronbach falls above the acceptable range of 0.6 as given by (George and Mallery ,2003) and cited by (Jan, Abdullah, & Shafiq, 2013), (Das, 2013), (Azad & Esmaeili, 2012). This is followed by calculation of arithmetic mean and standard deviation, simple linear regression and multiple regressions to test the study hypothesis.

3.5.2 Scale to be used

For scaling techniques 7-point Likert scales, ranging from 1 (strongly disagree) to 7 (strongly agree) shall be adopted. 7-point Likert scales are used rather than 5-point Likert scales to increase variation for statistical analysis as well as add additional details.

3.6 The data

The data collected for the study follows the methodology described in chapter one. A survey was conducted keeping in mind the study area i.e. Cachar, Hailakandi and Karimganj districts of Assam and the list of banks mentioned in chapter one.

For sample size we depend on the formula

$$n = \frac{1}{e^2}$$ where e is the proportion of error present in the study.

n is the final approximate sample size

An error of 5 % will require a sample of approximately 400 units.

Thus, a total of 400 respondents were collected using adopting post stratified random sampling which has been elaborately explained in chapter 1. The number of respondents collected from each bank was based on proportional allocation that they contribute in the total population. The demographic and socio economic data have been already provided in chapter 2.

3.7 Descriptive statistics

Descriptive Statistics of Constructs

This section illustrates the descriptive statistics for each main constructs and their respective dimensions with mean and standard deviation.

1. E-Banking Services:

   The main variable E-banking services was measured by 16 items divided into 4 characteristics:

   (i) Ease of Use, (ii) Usefulness, (iii) Cost Saved and (iv) Self control.

2. Customer Loyalty:

   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 (i) Attitudinal loyalty and (ii) Behavioral loyalty.

Table 3.2.1 Descriptive Statistics for Ease of Use

Item	Statement	Mean	Std. Deviation
1	I find that E–banking service is easy to use.	1.92	1.075
2	It is easy for me to learn how to use of E–banking services	2.18	1.234
3	I can use the E–banking services without any help from others.	2.21	1.338
4	I have the opportunity to try different electronic banking services.	2.74	1.573
5	Mistakes are more likely to occur in E–banking compared to traditional banking (R)	4.38	1.749
	Average Mean of Ease of use	2.69	

Table 3.2.2 Descriptive statistics for Usefulness

Item	Statement	Mean	Std. Deviation
6	Financial transaction can be done more effectively using E–banking services.	1.95	.934
7	Through E–banking services I can more effectively manage my money.	2.06	1.083
8	E-banking services have more transactional restrictions compared to traditional banking. (R)	5.28	1.514
	Average mean of Usefulness	3.09	

Table 3.2.3 Descriptive Statistics for Cost Saved

Item	Statement	Mean	Std. Deviation
9	E- banking saves my transportation costs	2.31	1.421
10	E-banking services Saves my waiting time for service completion.	1.73	.875
11	Using e-banking services helps in doing financial transactions anytime anywhere without visiting bank.	1.72	1.053
12	I can safely transact my money with E–banking as compared to traditional banking.	2.20	1.150

Table 3.2.4 Descriptive Statistics for Self Control

Item	Statement	Mean	Std. Deviation
13	I have more control over my account due to E–banking services.	2.26	1.221
14	E- banking allows me to know all the financial services that my banks provide.	2.31	1.161
15	It takes great deal of time and effort to get used to new E–banking services (R)	4.59	1.620
16	E–banking services help me to manage my transactions.	2.12	.964

Table 3.2.5 Descriptive Statistics of Attitudinal loyalty

Item	Statement	Mean	Std. Deviation
17	I try to use E–banking services because it is the best choice for me.	2.24	1.100
18	I consider myself to be a loyal customer of bank.	2.04	1.110
20	I say positive things about using E–banking services to other people.	3.07	1.850
21	I will regularly use E–banking services in the future.	1.97	.968

19. Removed from further analysis to increase the validity.

Table 3.2.6 Descriptive Analysis of Behavioral Loyalty

Item	Statement	Mean	Std. Deviation
22	I intend to continue to do banking transactions by E–services.	1.98	.938
23	Even if close friends recommended another banking service, I will not change my preference for E–banking services.	2.65	1.318
24	I would encourage friends and relatives to E–banking services.	2.11	1.072

3.8 Analysis and Results

Reliability tests: 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 tree main constructs fall in the acceptance range i.e. $\alpha > 0.7$

Table 3.3 Cronbach's Alpha(α) for Main constructs obtained

No.	Constructs	No of Items	Coefficient
1	E-Banking Services	16	0.785
2	Customer Loyalty	07	0.731
3	All Constructs	23	0.854

3.8.1 Hypothesis of the Study

To begin with we need to know how the independent variable will explain the variation in dependent variable.

From the literature in the initial part of the chapter we find that there exist some relationship between Electronic banking services and loyalty development. Thus here we assume that E-banking delivery channels services are independent variable and loyalty is dependent variable.

The hypothesis to find out the effect of E-banking delivery channel services on customer loyalty is formulated as follows:

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

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. The sub hypotheses are as follows:

H_1: There is effect of E-Banking delivery channel services dimensions on attitudinal loyalty.

H_2: There is effect of E-Banking delivery channel services dimensions on behavioral loyalty.

3.8.1.1. Hypothesis testing

To test the hypothesis, statistical package SPSS has been used. 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 the Hypothesis H_1

H_1: There is effect of E-Banking delivery channel services dimensions on Attitudinal Loyalty

Table: 3.4.1 Model Summary (Dependent variable Attitudinal Loyalty)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.712[a]	0.507	0.502	2.371
a. Predictors: (Constant), self control, usefulness, ease of use, cost saved				

Table: 3.4.2 Anova Table (Dependent variable Attitudinal Loyalty)

ANOVA[b]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2286.61	4	571.653	101.661	.000[a]
	Residual	2221.14	395	5.623		
	Total	4507.75	399			
a. Predictors: (Constant), self control, usefulness, ease of use, cost saved						
b. Dependent Variable: Attitudinal loyalty						

Table 3.4.3 Multiple Regression

Effect of E-banking Characteristic on Attitudinal Loyalty

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.102	0.613		0.166	0.868
	Ease of use	0.023	0.031	0.032	0.76	0.448
	Usefulness	0.256	0.067	0.153	3.829	0
	Cost saved	0.522	0.047	0.487	11.173	0
	Self control	0.211	0.052	0.191	4.034	0
a. Dependent Variable: Attitudinal loyalty						

From the model summary table: 3.4.1, 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 ANOVA table: 3.4.2 states that 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 H_1 that there is a relationship between E-Banking delivery channel services dimensions and attitudinal loyalty.

The regression equation can be written as

$$\textit{Attitudinal Loyalty} = 0.102 + 0.023 \times \textit{Ease of use} + 0.256 \times \textit{Usefulness} + 0.522 \times \textit{Cost Saved} + 0.211 \times \textit{Self Control}$$

H_2: The effects of E-banking delivery channel services dimensions on Behavioral Loyalty

Table 3.5.1 Model Summary (Dependent variable Behavioral Loyalty)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.639[a]	0.408	0.402	1.949
a. Predictors: (Constant), self control, usefulness, ease of use, cost saved				

Table 3.5.2 Anova Table (Dependent variable Behavioral Loyalty)

ANOVA[b]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1032.79	4	258.197	67.984	.000[a]
	Residual	1500.17	395	3.798		
	Total	2532.96	399			
a. Predictors: (Constant), self control, usefulness, ease of use, cost saved						
b. Dependent Variable: Behavioral loyalty						

Table 3.5.3 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)	0.355	0.504		0.704	0.482
	Easeofuse	0.047	0.025	0.087	1.86	0.064
	usefulness	0.11	0.055	0.088	1.993	0.047
	Cost saved	0.276	0.038	0.344	7.191	0
	Self control	0.225	0.043	0.273	5.248	0
a. Dependent Variable: Behavioral loyalty						

From the model summary table: 3.5.1, we find that R^2 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 anova table: 3.5.2, states that 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 H_2 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

Table 3.6.1 Model Summary (Dependent variable Customer Loyalty)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.693[a]	0.481	0.48	3.836
a. Predictors: (Constant), E banking service				

Table 3.6.2 Anova table (Dependent variable Customer Loyalty)

ANOVA[b]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5424.82	1	5424.82	368.727	.000[a]
	Residual	5855.49	398	14.712		
	Total	11280.3	399			
a. Predictors: (Constant), E banking service						
b. Dependent Variable: Customer loyalty						

Table 3.6.3 Simple Regression (Effect of E-banking on Customer Loyalty)

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.447	0.836		0.535	0.593
	E banking service	0.372	0.019	0.693	19.202	0
a. Dependent Variable: Customer loyalty						

From the table 3.6.1, 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. From the ANOVA table 3.6.2, states that 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 that'

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

3.9 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 measured and thus in this study attempt has been taken to measure this psychological aspect through series of related questions and come to the conclusion. If it would have been done with other theories or literature, the result might have come out different. Here in this study the 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. 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.