

ASSESSING THE COLLECTIVE EFFECTS OF EMAIL AND INTERNET BANKING ON CUSTOMER SATISFACTION IN NIGERIAN BANKS

BY

Saviour Sylvester OKON

saviourokon76@yahoo.com

Chris EROMOSELE

eromoselechrist16@gmail.com

¹⁻² Department of Marketing,
University of Uyo
Akwa Ibom State

ABSTRACT

The deployment of technological innovations has opened numerous opportunities for enhancing customer services across various sectors, including banking. This study examines the combined effects of two such innovations—email banking and internet banking—on customer satisfaction in Nigeria. Utilizing a survey approach, primary data were collected from 370 bank customers who use both internet and email banking tools through an online questionnaire. The findings indicate that while both technologies significantly impact customer satisfaction, internet banking exerts a more substantial influence. The study discusses the implications of these findings for policy formulation and suggests avenues for future research.

Keywords: *Email banking, internet banking, customer satisfaction, and Nigerian banks.*

Introduction

The rapid advancement of digital technology has revolutionized the banking sector, significantly impacting competition and service delivery. Empowered by this revolution, consumers now have a plethora of choices for accessing banking services. As banks strive to enhance their offerings in response to fierce competition, understanding the twin impact of email

banking and internet banking becomes paramount for maintaining a competitive edge.

In Nigeria, banking services are increasingly provided through email and internet channels, with the goal of offering convenient, efficient, and accessible solutions to customers. However, it remains unclear whether Nigerian banking customers are predominantly satisfied with these specific services. In addition, the empirical literature is silent in providing evidence of the joint effect of both email banking and internet banking service the satisfaction of Nigerian bank customers.

This study aims to assess the collective effect of the two digital services (email banking and Internet banking) on customer satisfaction within Nigerian banks. Understanding these dynamics is crucial for Deposit Money Banks (DMB) to optimize their digital strategies and foster stronger customer relations in an ever-evolving and competitive market. Consequently, we try to provide answers to the following research questions:

1. What is the relationship between Internet Banking and Bank Customer satisfaction?
2. What is the relationship between E-mail Banking and Bank Customer satisfaction?
3. What is the joint effect of Internet Banking, E-mail Banking on Bank Customer satisfaction?

Literature Review

Studies have attempted to establish linkages between digital banking services such as online banking, e-mail banking, ATM banking with customer repurchase intention, loyalty, and satisfaction in the banking sector (Abaenewe *et al.*, 2013; Abrol, 2014; Worku, *et al.* 2016). But the joint effect of both internet and email banking on bank customer satisfaction is not sufficiently researched and established. We draw from the expectancy disconfirmation (ED) theory, to examine the joint impact of these two digital banking services on customer satisfaction (Etuk, Awah & Akpan, 2022).

Internet banking is a type of e-banking where a customer's banking instructions are received and processed through the internet or the World

Wide Web (www) (Abaenewe, Ogbulu & Ndugbu, 2013; Uford, 2018). It enables clients to utilize the services of a bank from the comfort of their homes or offices. This means that customers can buy any goods they desire by placing an order online, instructing their bank to pay the seller according to the invoice amount, and having the products delivered to a location of their choice. Abrol (2014) regards internet banking as one of the rapidly advancing technologies of recent times. It involves delivering services or information from a banking institution to its clients via the internet. Furthermore, it is considered a supplementary channel used alongside other platforms to provide convenient banking services to customers at no additional cost, whether at the office or home. Similarly, Ayuba & Aliyu (2015) assert that internet banking entails using the internet to deliver banking services, such as bill payments, account balance checks, fund transfers, purchases of certificates of deposit and financial instruments, and mortgage payments.

E-mail banking entails the sharing of digital messages through the web. According to Anyanwu (2013), e-mail system has become very popular in Nigeria given the number of Nigerians who now possess e-mail addresses. Each time an addressee logs into his/her electronic mail box, he or she is often faced with series of adverts and commercially viable messages placed by different companies. Abaenewe et al., (2013) posit that e-mail service enhances communication between individuals and the banks, within the bank, with the bank and external parties and between banks. The availability of on-line information furnishes banks and customers with a powerful vehicle for research. Banks can provide information and services on-line which customers can pay for and received. Banking processes are made more efficient and cost effective by integrating other elements of banking operations such as management and financial control.

Ovia (2001) opines that provision of online banking is now a customer's birth right, as the latter require for flexibility in operating his/her account irrespective of bank branch where the account is domiciled. By using e-mail, bank customers enjoy logging in a bank's server to carry out their transactions anywhere they may be, office or home. Moreover, e-mail banking is considered an essential tool in every smart marketer's tool box. Nothing else is as good as reaching your customers where they are, and

nothing is as effective as building relationship with customers. If you want your business to succeed, start building your e-mail list on day one.

Furthermore, Lorette (2017) opined that E-mail service is a simple form of communication used for both personal and professional purposes. He noted that with businesses coming to understand its effectiveness, it is becoming very popular. He reasons that E-mail channel tests and studies indicate that it can affect consumer behaviour, even convincing consumers to visit websites for more information or to make a purchase. E-mail banking is cheap compared to other channels. It opens up the line of communication between a business and a consumer. In essence, a business can gather response from a customer by sending an e-mail which serves to introduce a new service or product, asking customer opinions in the form of a survey or sending out a coupon for the consumers' next purchase.

Customer satisfaction assesses the extent to which services/products provided matches or surpasses a customer's expectation. Kotler and Keller, (2006) offered the most thorough definition of satisfaction which explains individual's feeling in terms of disappointment or pleasure resulting from comparison of a product's perceived performance against expectations. It is a vague idea which involves variables such as product quality, product location atmosphere and product/service price (Grimsley, 2016).

Nyadzayo (2010) views customer satisfaction as the customer's response to his fulfilment or a judgement which indicates that a product or service has provided an acceptable level of consumption related fulfilment. Such judgement is determined by perceived quality, perceived service, and expectations. Furthermore, customer satisfaction is a person's expressed feeling showing disappointment or pleasure which results from an assessment of products/services offered by an enterprise compared to his/her expectation.

Firdous, (2017) describes customers' satisfaction as the extent by which the product/ service performance is able to match up to the customer's expectation. Marketers of services must be cautious to establish the level of expectation that meets that of the customers. Setting expectation that are too low may satisfy those buying but fail in attracting sufficient customers. If expectations set are too high, disappointment will come the way of buyers.

Hence, customer satisfaction is a key issue used to develop and manage client relationships.

Methodology

The research utilized a survey design, which involves collecting information from a sample through a questionnaire. This method was chosen due to its standardization, facilitating easy data comparison. The study targeted a population of 384 customers from Nigeria's four major banks: Access Bank, First Bank, UBA, and Zenith Bank. These banks are recognized as top performers and classified as Nigeria's Tier-I banks by Fitch rating in 2016. To ensure a representative sample, ninety-six (96) customers from each bank were conveniently selected. Equal allocation was based on their similar ratings as top-performing banks. The questionnaire, used to gather primary data, consisted of two sections: a demographic section for personal data and a second section with questions aligned with the research objectives. Statements in this section were rated on a modified four-point scale: strongly agree (4 points), agree (3 points), disagree (2 points), and strongly disagree (1 point). Items were validated and tested for reliability before distribution. Of the 384 customers surveyed, 370 returned completed questionnaires within the specified timeframe, resulting in a 96.4% response rate. Data analysis included both descriptive and prescriptive methods.

Table 1 Sample and Response Rate

Bank	No. of questionnaire administered	No. of questionnaire correctly filled and retrieved	Percentage %
Access Bank	96	89	92
First Bank	96	96	100
Zenith Bank	96	96	100
UBA	96	89	92
Total	384	370	96

Source: Field survey, 2024

As indicated on Table 1, a total of three hundred and eighty-four (384) copies of questionnaire were administered between April and June 2024, to customers of the selected Banks in Uyo metropolis, three hundred and seventy (370) copies were retrieved and found useful. This represents a response rate of 96 per cent. This was considered adequate based on the sample size chosen for this study.

Results and Discussion

Analysis of Descriptive Results

Table 2 Responses on effect of internet banking services on bank customer's satisfaction

Statement	Strongly Agree (4)	Agree (3)	Disagree (2)	Strongly disagree (1)	Total
I am satisfied because of access to my account.	134 (36.2%)	153 (41.4%)	66 (17.8%)	17 (4.6%)	370 100%
I am satisfied because I am well informed about bank services.	139 (37.6%)	128 (34.6%)	77 (20.8%)	26 (7%)	370 100%
I am satisfied with my bank's on-line presence.	155 (41.9%)	135 (36.5%)	54 (14.6%)	26 (7%)	370 100%
I am satisfied with charges on my account when I used website for transaction.	124 (33.5%)	121 (32.7%)	96 (26%)	29 (7.8%)	370 100%
I am satisfied with my bank's website because it is convenient and saves time.	160 (43.2%)	131 (35.4%)	52 (14.1%)	27 (7.3%)	370 100%
Total Mean score	712 142 (38.5%)	668 134 (36.1%)	345 69 (18.7%)	125 25 (6.7%)	1850 370 100%

Source: Researcher's compilation from primary data (2024)

Table 2 shows the result of the survey on the effect of internet banking services on the satisfaction of bank customers. Out of the 370 bank customers that participated in the research, 142 respondents constituting 38.5% strongly agree that internet banking services affect the satisfaction of bank customers, 134 respondents or 36.1% agree that internet banking services influence bank customer's satisfaction, 69 respondents representing 18.7% disagree while 25 customers constituting 6.7% strongly disagree that

internet banking services influence customers satisfaction. This is the least number among those respondents who strongly agree. This is an indication that internet banking services generate positive impact on the satisfaction of bank customers.

Table 3. Responses on impact of electronic mail banking services on the satisfaction of bank customer's

Statement	Strongly Agree (4)	Agree (3)	Disagree (2)	Strongly disagree (1)	Total
I am satisfied with my bank's services because it is interactive.	129 (34.9%)	130 (35.1%)	67 (18.1%)	44 (11.9%)	370 100%
I am satisfied because e-mail transactions are cheaper than other channels.	128 (34.6%)	165 (44.6%)	52 (14.1%)	25 (6.7%)	370 100%
I am satisfied because of convenience of transactions through e-mail.	139 (37.6%)	138 (37.3%)	63 (17%)	30 (8.1%)	370 100%
I am satisfied because current information about services is available on e-mail.	125 (33.8%)	146 (39.5%)	68 (18.4%)	31 (8.3%)	370 100%
I am satisfied because e-mail services in my bank is reliable.	122 (33%)	139 (37.6%)	71 (19.2%)	38 (10.2%)	370 100%
Total Mean score	643 128 (34.8%)	718 144 (38.8%)	321 64 (17.4%)	168 34 (9%)	1850 370 100%

Source: Researcher's compilation from primary data (2024)

The result of the survey on impact of e-mail banking services on customer satisfaction is shown in Table 3. It reveals that of the 370 on-line customers that were surveyed, 128 respondents representing 34.8% strongly agree that e-mail banking services affect bank customer's satisfaction, 144 customers or 38.8% agreed that e-mail banking services has affected satisfaction among bank customers, 64 respondents representing 17.4% 'disagree' and

9% or 34 customers strongly disagree. This distribution suggests that e-mail banking services is essential to the attainment of customer satisfaction.

Table 4: Responses on level of customer satisfaction

Statement	Strongly Agree (4)	Agree (3)	Disagree (2)	Strongly disagree (1)	Total
I expected prompt and effective services from my bank's e-channels.	159 (43%)	148 (40%)	45 (12.2%)	18 (4.8%)	370 100%
I expected a service that is flexible from e-channels	153 (41.4%)	151 (40.8%)	44 (11.9%)	22 (5.9%)	370 100%
I expected a fair and reasonable charges from my bank's e-channels.	192 (51.9%)	132 (35.7%)	31 (8.4%)	15 (4%)	370 100%
I expected a consistent services from my bank's e-channels.	176 (47.6%)	137 (37%)	32 (8.6%)	25 (6.8%)	370 100%
I expected a safe and secured transaction from my bank's e-channels.	172 (46.5%)	137 (37%)	48 (13%)	13 (3.5%)	370 100%
Total Mean score	852 170 (46.1%)	705 141 (38.1%)	200 40 (10.8%)	93 19 (5%)	1850 370 100%

Source: Researcher's compilations from primary data (2024)

The result of the survey on respondent's expectations from electronic banking services is shown in Table 4. Out of the 370 respondents surveyed, 170 or 46.1% "strongly agree" that they expected a prompt and effective service that is flexible, consistent, secured with a fair and reasonable charge from the electronic channels of their respective banks, 141 respondents representing 38.1% "agree" that their expectations from e-banking channels was great in term of improved service quality, 40 respondents or 10.8% "disagree" while 19 respondents or 5% strongly disagree. Since only 19 respondents out of 370 respondents had low expectation from their banks e-channels, it is obvious that most bank customers surveyed expected improved service quality from their e-banking channels.

Analysis of Empirical Results

The regression analysis and test of hypotheses are presented in this section.

Table 5 Result of Multiple Regression analysis of the joint influence of internet banking services and electronic mail banking services on customer satisfaction.

Model	R	R Square	Adjusted R square	Std. error of the estimate	Change statistics					
					R square change	F	df ₁	df ₂	Sig. F change	Durbin-Watson
1	.706 ^a	.498	.493	3,01027	.498	90.625	4	36	.000	1.830

a. Predictors: (constant), Internet banking services and electronic mail banking services.

Table 6 Summary of one-way ANOVA results

Model	Sum of squares	Df	Mean square	F	Sig.
1. Regression	3284.868	4	821.217	90.625	.000 ^b
Residual	3307.521	365	9.062		
Total	6592.389	369			

a. Dependent variable: customer satisfaction

b. Predictors: (constant), Internet banking, Electronic mail banking.

Table 7 Coefficients of regression equation

Model	Unstandadized Coefficients		Standardized Coefficients Beta	T	Sig.
	B	Std. Error			
1 (constant)	3.578	.912		3.924	.000
Internet banking	.135	.049	.142	2.732	.007
Electronic mail banking	.215	.048	.227	4.475	.000

a. Dependent variable: customer satisfaction

The regression analysis as shown in Table 7 indicates that the R value = 0.706, R square = 0.498 and adjusted R square = 0.493. The adjusted R square, that is, the coefficient of determination, indicates how customer satisfaction varies with electronic banking services. It shows a value of 0.493 which implies that 49.3% of variation in customers satisfaction can be explained by internet banking service and electronic mail banking services leaving 50.7% unexplained. The Durbin Watson coefficient test for autocorrelation shows a value of 1.830 indicating absence of autocorrelation and that the result can be used for policy purpose.

From Table 7 also the ANOVA shows that the F- value, 90.625 was obtained with a P-value of .000 indicating that overall, there is a significant impact of electronic banking services on the satisfaction of bank customers. It also implies that the multiple regression equation between electronic banking services and bank customer's satisfaction are statistically significant. Table 8 presents the regression coefficient for the model parameters, electronic email ($\beta = 0.135$, SE = 0.049, t- 2.732, P = 0.007 P < 0.005), internet banking ($\beta = 0.215$, SE = 0.048, t = 4.475, P = 0.000, P < 0.05). All independent variables positive effect on the satisfaction of bank customers. The result also indicates that if other variables are held constant, a unit increase in telebanking services would result in 0.215 increase in bank customer's satisfaction, one unit increase in Internet banking services will result in 0.215 increase in customer's satisfaction.

Discussion of Findings

The hypothesis tests the effect of internet banking (website) services on bank customer's satisfaction. From the analysis of data obtained with respect to effect of internet banking services on bank customer's satisfaction, the result revealed that majority of the respondents agreed that internet banking (website) services generate positive impact on the satisfaction of bank customers. Out of the 370 respondents surveyed, 276 respondents accounting for 74.6% are supporting this position. This result is consistent with studies done by Rose (2013), Abrol (2014) in India, Offei and Nuamah-Gyambrah (2016), Ayuba and Aliyu (2015) in Nigeria which found that internet banking brings efficiency in the operations of a bank thereby enhancing the level of bank customer's satisfaction. The implication of this is that all barriers to effective internet access must be addressed by the banks.

The analysis of data obtained with respect to effect of electronic mail banking services on bank customer's satisfaction showed that majority of respondents surveyed opined that e-mail banking services has affected bank customer's satisfaction. This position is supported by 272 respondents out of 370 respondents surveyed. This figure represents 73.6% of the total respondents. This submission is consistent with the works of Timothy (2017), and Abaenewe *et al.* (2013) in Nigeria and Firdous and Forooqi (2017) in India which found a significant impact of e-mail banking on overall customer's satisfaction.

Conclusion and Recommendations

In this study, an investigation of the joint effect of Internet and E-mail banking practices on customer satisfaction in Nigeria was undertaken. Four Deposit Money Banks operating within Nigeria were selected as the focus of the study. This study has a number of implications on the relationship between banks and their customers. It has been established that the adoption of e-banking has played significant role in improving customers' patronage of bank services in Nigeria. It has also been able to establish that there is a significant relationship between the dimensions of electronic banking and customer satisfaction in Akwa Ibom State. The result has shown that prompt service delivery and effective communication with customers can enhance the level of satisfaction of bank customers. The results imply that maintaining a satisfied customer is a function of providing prompt and flexible services tailored toward the needs of the customer.

REFERENCES

- Abaenewe, Z. C., Ogbulu, O. M. and Ndugbu, M. O. (2013). Electronic Banking and bank Performance in Nigeria, *West African Journal of Industrial and Academic Research*, 6(1): 171 – 187.
- Abrol, S. (2014). Impact of internet Banking on Customer Satisfaction and Business performance PhD Thesis. University of Jammu, India, 257.
- Anyanwu, A. (2013). Marketing Management and Strategy, Avan Global Publications, Owerri, Nigeria, 338p.
- Ayuba, B. and Ibrahim, A. A. (2015). "Evaluation of the Impact of Internet Marketing on Banking Services in Nigeria, European Centre for Research and Development, UK, *British Journal of Marketing Studies*, 13(7): 15-29.

- Etuk, A., Awah, A. E., & Akpan, A. O. (2022). E-marketing and savings mobilization drive of selected microfinance banks in Uyo metropolis, Akwa Ibom State. *International Journal of Business, Marketing and Management*, 7(3), 1-6.
- Firdous, S. (2017). Impact of internet banking service quality on customer satisfaction, *Journal of internet Banking and Commerce*, 22(1): 1 – 17.
- Grimsley, S. (2016). What is Customer satisfaction? –Definition and examples. [www.http://googlesearch.com](http://googlesearch.com), 1-6
- Hansemerk, O. C. and Albison, M. (2004). Customer Satisfaction and retention. The experience of individual with employees. *Managing service quality: An International Journal*, 14(1): 40-57.
- Juma, S. N. (2013). Influence of electronic banking on customer service delivery in the Banking Industry: A case of Bungoma country, Kenya. A research project for master of Art in project planning and Management, University of Nairobi, 300p.
- Kachembere, R. and Farai, C. (2015). The Impact of E-Marketing on Commercial Banks in Harare, Zimbabwe (1994-2015), *IOSR Journal of Computer Engineering (IOSR-JCE)* 17 (5): 40-44.
- Kagan, N. and Oshinsky, D. (2017). 7 reasons using e-mail Marketing can help your business grow, campaign monitor, pp. 1-4.
- Kotler, P. and Keller, K. (2013). *Marketing Management*, 14th edition, Pearson Education Limited, Harlow. England, 150p.
- Kwarteng, P. A. (2015). The Effect of Electronic Banking on Customer Service Delivery in Kumasi Metropolis, MBA thesis, Kwame Nkrumah University of Science and Technology, 90p.
- Lorette, K. (2017). The effect of E-mail marketing on consumer behavior, Hearst newspapers, LLC, pp. 120-128.
- Nyadzayo, M. (2010). The mediating Role of Customer Relationship Management on customer Retention at selected Motor vehicle Dealership in the Buffalo City Municipality, University of Fort Hare, South Africa, pp. 1-14.
- Offei, M.O. and Nuamah-Gyambrah, K. (2016). The contribution of Electronic Banking to customer satisfaction: A case of GCB Bank Limited – Koforidua. *International Journal of managing information Technology (IJMIT)*, 8(1):1-11.
- Ogbuji, C. N. (2012). Analysis of the Negative effects of the Automated Teller Machine (ATM) as a channel for delivering banking services in Nigeria, *International Journal of Business and Management*, 7(7):71-86.
- Okoh, J. I. and Inua, O. I. (2017). Rough edges of Electronic Banking service Delivery Channels in Nigeria: which way forward? Proceedings of the

- 11th Annual Conference of the Academy of Management Nigeria, SCOA Heritage Publications, 262p.
- Ovia, J. (2001). Internet Banking Practice and Potentials in Nigeria, Paper delivered at a Workshop Organized by ICAN at Lagos. Pp. 1-10.
- Ovia, J. (2012). Internet banking Practices and Potentials, Institute of Chartered Accountants of Ghana (ICAN), Lagos. Pp. 1-10.
- Timothy, A. T. (2012). Electronic banking services and customer satisfaction in the Nigerian Banking Industry, *International Journal of Business and Management Tomorrow*, 2(3): 1-8.
- Uford, I. C. (2018). E-Banking Application and Sterling Bank Customers' Adoption: Issues, Challenges and Benefits. *Business and Social Sciences Journal (BSSJ)*, 3(2), 1-12.
- Worku, G., Tilahun, A. and Tafa, M. A. (2016). The Impact of Electronic banking on customers' satisfaction in Ethiopian Banking Industry. (A case of customers of Dashen and Wogagen Banks in Gonder city) *Journal of Business and Financial Affairs*, 5(174), 1-18