

EFFECT OF E-SERVICE QUALITY ON CONTINUED USAGE INTENTION OF CUSTOMERS IN SELECT PRIVATE SECTOR BANK

Abstract

Globally, the banking witnessed a rapid advancement in digital technology, intensifying the digital transformation process and necessitating the development of new technologies or adjustment to current business models (Kaur and Sahni, 2024). Every nation's economic development is significantly impacted by a healthy banking sector. It is crucial for the development of nation's economy as banks channelise the fund through the society. Digital technology is employed by the banks to provide a range of financial solutions, including online payments, equity and crowd fund raising, peer-to-peer lending, insurance and personal financial management. Financial technologies are changing the whole financial market trading, supervisory and regulatory processes, make financial services more convenient for retail customers (Sathiyavani and Shivani, 2018). Private sector banks are facing tough competition from fintech or digital first payment providers. Therefore, it is essential to their growth and viability to retain clients by providing exceptional e-service quality (Sardar and Anjaria, 2023). In the present day of intense competition and outspoken customers who base their decisions to stay or leave based on both emotional and rational cues, customers continued usage intention is becoming an increasingly important managerial concern. In this context, understanding how e-service quality influences continued usage intention is essential for Private sector banks that wish to sustain customer engagement and loyalty.

The present study examines the effect of e-service quality and banking service quality of select Private sector banks on continued usage of customers with mediating role e-service satisfaction and moderating role of customer trust. The study aims to analyze the customer expectation and experience gap of e-service quality and Banking Service Quality offered by the select Private Sector Banks among IT&ITeS employees. The study utilized Cognitive Motivational Relational (CMR) Theory developed by Richard Lazarus (1991) to provide theoretical support for the association between e-service quality and continued usage intention of customers. The locale of the study is Ernakulam district in Kerala, India, a prominent commercial and industrial center in the state of Kerala. Specifically, the study focusses on e-banking users of selected Private sector banks and they become employees of IT&ITeS companies working at Infopark, Ernakulam. Primary data were gathered from 398 customers by using structured questionnaires and the secondary data were collected from research articles, books and government reports. The reliability of the constructs is proved with a Cronbach's alpha value of above 0.70.

The Friedman Mean Rank test was employed to identify the main benefits of using e-services. Paired t test was conducted to measure the gap between customer experience and expectation on e-service quality and banking service quality dimensions. Chi-square test was used to test the association between socio-economic variables and level of e-service satisfaction, level of customer trust and level of continued usage intention. The significant difference between customer experience of e-service quality across socio economic variables were examined by using ANOVA and Tukey's HSD Post-hoc analysis. Structural Equation Modelling were employed to analyse the effect of E-S-QUAL dimensions and BSQ dimensions on e-service satisfaction and the impact of e-service quality on continued usage intention with mediating role of e-service satisfaction and the moderating role of customer trust.

The results reveals that customer experience better service than expectation and no gap was identified relating to ease of use, efficiency, safety, interoperability and service portfolio. While, there is significant gap noted in reliability and responsiveness of e-services. The post-hoc analysis indicates that elder customers and those earning monthly income above ₹ 75000, showing a positive attitude toward all the e-service quality dimensions and banking service quality dimensions as compared to other customer groups. The customers with 2-5 years of experience with bank are having more positive perception on concern to safety, reliability, responsiveness and interoperability of e-services. As the experience increases their concern is shifted towards efficiency, ease of use, service charge, service portfolio and personalized services dimensions. It is found that socio economic variables like age, monthly income, marital status and years of experience with the bank is significantly associated with level of customer trust, e-service satisfaction and continued usage intention of customers.

The results of the structural equation modelling clearly demonstrated that e-service quality and banking service quality both have a major role in raising e-service satisfaction, which in turn has a strong positive impact on the intention to continue using the service. Notably, BSQ dimensions has a stronger effect on e-service satisfaction compared to E-S-QUAL dimensions. The partial mediation effect of e-service satisfaction further reveals that the benefits of e-service quality on continued usage intention are channelled significantly through satisfaction, reinforcing the need to focus on user-friendly, fast and responsive digital services. Importantly, customer trust emerged as a critical moderator in the satisfaction–continued usage intention link. The interaction effect proves that customer trust amplifies the influence of satisfaction on continued usage intention. The customers with high trust are more likely to stay loyal, even with moderate satisfaction levels.

Keywords: E-Service Quality, Banking Service Quality, Experience and Expectation Gap, E-Service Satisfaction, Customer Trust and Continued Usage Intention.