THE IMPACT OF THE QUALITY

OF INTERNET BANKING ON MARKET SHARE:

CASE STUDY OF JORDANIAN COMMERCIAL BANKS

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1. *Introduction*

In any country, banks are considered to be at the heart of economy and Internet Banking is one of the main distribution channels that the banks depend on in their performance as these channels facilitate access to services for customers, who can access the service without visiting the branches or offices of the bank, and also increase the period of availability of banking services that would be otherwise limited to the official working hours of the banks. The services are of high quality, a consequence of which is an increase in their use and the resulting market share expansion.

The study focuses on inability of some Jordanian banks to interest significantly in the provision of high quality electronic services through online banking and the consequences thereof for the bank's market share.

2. *Study objectives*

The objective of the study is to answer the following questions:

What is the reality of electronic banking services in Jordan?
Of what quality are the Internet banking services offered
  by commercial banks in Jordan?
Does the quality of Internet banking services have any
  impact on market share expansion?

3. *Study Framework and Hypotheses*

To study the impact of the quality of internet banking on market share.

The model was constructed as follows:

Dependent variables	Independent variables
market share	reliability
	responisveness
	assurance
	web interface

The following hypothesis was built in order to study the impact of the quality of Internet Banking on market share:

H01 – There is no significant statistical impact of the quality of Internet Banking services (reliability, responsiveness, assurance, web interface) on market share.

at $p \leq 0.05$

It consists of the following sub-hypotheses:

H01-1 – There is no significant statistical impact of the quality of Internet Banking services on market share as regards reliability at $p \leq 0.05$.

H01-2 – There is no significant statistical impact of the quality of Internet banking services on market share as regards responsiveness at $p \leq 0.05$.

HOI-3 – There is no significant statistical impact of the quality of Internet banking services on market share as regards assurance at $p \leq 0.05$.

HOI-4 – There is no significant statistical impact of the quality of Internet banking services on the market share as regards web interface at $p \leq 0.05$.

4. *The theoretical framework*

4.1 *The concept*

In Jordan there are twenty-six banks. This number can be broken down as follows: 13 Jordanian commercial banks, nine foreign commercial banks, three Jordanian Islamic banks, the Islamic International Arab Bank, Jordanian Dubai Islamic Bank, the Jordanian Islamic Bank and the AL-Rajhi Bank which is a foreign Islamic bank (The annual report of the Central Bank of Jordan, 2013).

Internet Banking

Thanks to the concept of on-line financial services banks can exist on-line and provide a wide range of banking services using modern technologies. Internet Banking is defined as virtual banks that set up their websites so that traditional banking operations can be carried out electronically. Jayawardhena (Jayawardhena, 2004, 186) defines it as the interaction that occurs between the customer and the bank through digital means. Customers can use the Internet to communicate with computers in the bank system, a number of informative, communicative and operational processes can be done on their bank accounts electronically.

Market share

Market share is an expression or indication of the strong effect or the size of the organization and its activities in a particular industry relative to its competitors, also known as effectiveness of the entity's strategy and success of its work, products and programs to increase sales to bank customers relative to its competitors. It is the size of the market attributed to the size of banks and other customers. Market share is measured directly by identifying the target or market segment target customer group, and using groups of industrial and trade associations, government statistics to provide estimates of the total size of the market. The market share data provided illustrate for the organization its overall market share. Financial institutions such as banks can measure their stake through a number of financial transactions or the number of targeted customer accounts, and the best means to preserve market share is through the introduction of new innovative products and services that meet customer needs in order to distinguish themselves from the competitors (Kaplan & Norton, 1996).

4.2 *Previous Study*

There are many studies that address the impact of expansion of electronic services on the growth of bank deposits, and the most important of them are as follows:

Ma noted that online banking is a way to reduce costs, improve service, retain customers, and increase the market share (Ma, Ma &Zaho, 2011).

There are many other banking services offered by Internet Banking, such as: balance inquiries,, transactions in the account, fund transfers, daily services and customer support provided by sending communication to customers' e-mail accounts or their mobiles containing details

of the processes that they have conducted, ensuring online access to customers' bank accounts and their history , paying the bills and meeting customer obligations towards many public and private entities, getting checkbooks and bank statements and many other services. Factors that play an important role in customer acceptance of the service, adoption of the amount of information available and accuracy include the response time where the service provider must download the page quickly and make browsing easy, provide information on the home page, so that customers do not waste time searching for a particular service (Kadir et al., 2011).

The most important dimensions that have a positive impact on the provision of this type of service are: the ability to access the website and implement a wide range of operations, the ease with which customers can enter the Account Profile, in addition to the ease with which they can browse the website, and be provided with immediate service that is fast and informative. All these factors contribute to the dissemination of confidence among customers that they are delivered the promised service at all times efficiently and effectively. Another important thing is personal attention that customers get in spite of the low level of human intervention in the process as well as benefits for the banks of using this technique to achieve competitive excellence and working to overcome geographical barriers, and facilitate the delivery of service to customers geographically distant. Another aspect are low costs compared with the traditional methods of the provision of banking services, which contributes to attracting and retaining customers and ensuring their satisfaction. All this makes websites a great marketing opportunity for the banks (Jayawardhena, 2004).

One of the models used to measure the quality of online banking services is the E-S-Qual model (Paschalordis). It was used to measure the quality of banking servic-

es provided over the Internet on the websites of Greek banks (Paschalordis, &Tsouela, 2014).

The Salenia study aimed to determine the impact of the quality of Internet Banking on e-satisfaction, e-loyalty, and word of mouth, The study results show that Internet Banking significantly impacts e-satisfaction, e-loyalty and word of mouth, (Salenia, Saki, Eshaghi&Salehnia, 2014).

In his study, George found effects of the dimensions of the quality of Internet Banking on the satisfaction of Indian bank customers. The results show that the most popular service quality dimensions that have a strong and direct impact on customer satisfaction are: reliability, responsiveness, fulfillment, privacy, and safety., Another finding is that website interface and efficiency do not affect customer satisfaction (George & Kumar, 2014).

5. *Study Method*

5.1 *Study tools*

A questionnaire has been designed for the purpose of the study to solicit the views of employees of Islamic banks using the Likert scale. The questionnaire has been distributed (250), then returned (200), and the percentage is 80%.

5.2 *Sincerity and persistence of the study tool:*

A tool of the study (the questionnaire) has been showed to a group of arbitrators (5 experts) in order to verify its content and drafting, and whether the topic has been presented accurately, the reliability coefficient of the questionnaire according to the Cronbach alpha coefficient is (85%) through statistical analysis of the study's sample.

6. *The Results of Hypothesis Testing*

6.1. *Descriptive statistics*

Description of the study sample

No. 1

Item	No.		Demographic variable	%
1	GENDER	Male	120	60%
		Female	80	40%
2	AGE	Under the age of 30	65	32,5%
		between the ages of 30and 40	75	35%
		between the ages of 40 and 50	40	20%
		over the age of 50 s	20	10%
3	QUALIFICATIONS	Diploma or less	25	12,5%
		BA	120	60%
		Higher Diploma	20	10%
		Master or Ph.D.	35	17,5
4	EXPERTS	for less than 5 years	41	20,5%
		between 5 and 10 years	61	30,5
		between 10 and 15 years	56	28%
		for more than 15 years	42	21

Item	No.		Demographic variable	%
5	position	Director General/Deputy Director General	25	12,5%
		general manager assistant	39	19,5
		Department Director/ Branch Manager	49	22,5%
		Assistant Director/Head / employee	111	55,5%

Description of the study variables:
Reliability

TABLE 2: *the means and standard deviations of the reliability dimension*

standard deviation	Statement	Means	Item
0.558	4.300	Internet Banking services are accurate.	1
0.604	4.253	The bank uses modern technologies and develops continuously.	2
0.895	3.728	Stable performance at all times.	3
1.008	3.575	There is no need to go to other banks.	4
0.812	3.959	Customers are provided with Internet Banking services without delay.	5
	3.963	overall average	

The table 2 shows that general appreciation score for the reliability dimension is high, with the average score

at 3.963 and the highest score for item no.1 which reads
Internet Banking services are accurate.

Responsiveness

TABLE 3: *the means and standard deviations
of the responsiveness dimension*

Standard deviation	Means	Statement	Item
0.713	4.113	Internet Banking deals with personal customer requirements and makes the necessary effort to meet them.	6
0.695	3.981	Internet Banking allows to complete all banking operations quickly.	7
0.912	3.819	Internet Banking is available for all types of services.	8
0.695	4.097	Management of the bank is interested in complaints and problems faced by customers with regard to Internet Banking.	9
1.005	3.694	The bank puts digital signboards to speed up customer service.	10
	3.941	overall average	

Table 3 shows that general appreciation score for the
response dimension is high, with the overall average of
3.941, and the highest score for item no. 6 which reads
Internet Banking deals with personal customer require-
ments and makes the necessary effort to meet them.

TABLE 4: *the means and standard deviations*
of the assurance dimension

Standard deviation	Means	Statement	Item
1.057	3.431	The customer feels safe when dealing with Internet Banking.	11
0.622	4.303	The Bank has different protection methods.	12
0.704	4.075	Our customers trust Internet Banking services.	13
0.613	4.388	Internet Banking is secrecy.	14
0.637	4.466	Internet Banking works to preserve the privacy of customer information.	15
	4.133	overall average	

Table 4 shows that general appreciation score for the safety dimension is high, with the overall average at 4.133 and the highest score for item 15, which reads Internet Banking works to preserve the privacy of customer information.

TABLE 4: *the means and standard deviations
of the web interface dimension*

Standard deviation	Means	Statement	Item
0.970	3.816	Web Interface of the bank is easy to use.	16
0.916	3.588	Web Interface of the bank is described as attractive.	17
0.796	3.941	Web Interface is updated continuously.	18
0.870	3.800	Web Interface makes the bank information and services available.	19
0.893	3.772	Web Interface has clear and easy choices and enables customers to conduct operations.	20
	3.783	overall average	

Table 4 shows that general appreciation score for the website interface dimension is high, with the overall average score at 3.783 and standard deviation at 0.749 and the highest score for item 18, which reads Web Interface is updated continuously.

The dependent variable (market share)

TABLE 5: *the means and standard deviations of the market share dimension*

Standard deviation	Means	Statement	Item
0.598	4.366	The bank is interested in providing a wide range of services in order to preserve its market share.	21
0.616	4.300	The bank adopts a strategy to enter new markets in order to increase its market share.	22
0.707	4.144	The bank relies on Internet Banking methods in the development of its market share.	23
0.719	4.281	The bank management is keen on the study of potential customer needs in order to increase its market share.	24
0.721	4.238	The bank deliberately adopts certain marketing means to increase its market share.	25
0.699	4.225	The bank in comparison with its competitors in the field of market share.	26
	4.259	overall average	

Table 5 shows that general appreciation score for the market share dimension is high, with overall average score at 4.259 and the highest score for item 21, which reads The bank is interested in providing a wide range of services in order to preserve its market share.

6.2 *Testing the hypotheses of the study*

The followings sub hypotheses have been obtained

H01 – There is no significant statistical impact of the quality of Internet Banking services (reliability, responsiveness, assurance, web interface) on market share at $p \leq 0.05$

A multiple regression analysis for independent variables has been run in order to test the first hypothesis and the results achieved are as follows:

TABLE 7: *Testing the impact of the quality of Internet Banking on market share*

Significance level Sig.	The calculated value of T	Regression coefficient (ß)	Independent variable	Dependent variable
0.002	3.072	0.188	Reliability	(market share)
0.281	1.079	0.075	Responsiveness	
0.000	3.743	0.198	Assurance	
0.342	0.953	0.053	Web Interface	
R = 0.707 R2 = 0.500 F = 52.136 Sig. = 0.000				

The results presented in table 7 show the impact of the independent variables (the quality of Internet Banking) on the dependent variable (market share). The impact is statistically significant, as the calculated F value is 52.136, and the level of significance is Sig = 0.000, which is less than (0.05), and the value of the correlation coefficient R = 0.707 suggests a positive relationship between the independent variable and dependent variables, and the value of the coefficient of determination is R2 = 0.500), which confirms a significant decline.

This refers to the rejection of the null hypothesis and acceptance of the alternative hypothesis.

It has been subjected to the simple linear regression

analysis (hypotheses branching) and the results are as follows:

H01.1 – There is no significant statistical impact of the quality of Internet Banking services on market share as regards reliability at $p \leq 0.05$.

TABLE 8: *testing the impact of reliability on market share*

Significance level Sig	The calculated value of T	Regression coefficient (ß)	Independent variable	Dependent variable
0.000	12.491	0.574	Reliability	market share
R = 0.574 R2 = 0.329 F = 156.015 Sig. = 0.000				

Table 8 shows that the impact of the independent variable (reliability) on the dependent variable (market share) is statistically significant, as the calculated value F is 156.015, and the level of significance is Sig = 0.000, which is less than0.05, and the value of the correlation coefficient R = 0.574 suggests a positive relationship between the two variables, and the value of the coefficient of determination is R2 = 0.329, which confirms a significant decline.

This refers to the rejection of the null hypothesis and acceptance of the alternative hypothesis.

H01.2 – There is no significant statistical impact of the quality of Internet banking services on market share as regards responsiveness at $p \leq 0.05$.

TABLE 9: *Testing the results of response on market share*

Significance level Sig	The calculated value of T	Regression co-efficient ß	Independent variable	Dependent variable
0.000	13.024	0.590	responsiveness	market share
R = 0.590		R² = 0.348 F = 169.613 Sig. = 0.000		

Table 9 shows that the impact of the independent variable effect (response) on the dependent variable (market share) is statistically significant, as the calculated value F is 169.613), and the level of significance is Sig = 0.000, which is less than 0.05, and the value of the correlation coefficient R = 0.590 suggests a positive relationship between the two variables, and the value of the coefficient of determination is R2 = 0.348, which confirms a significant decline.

This refers to the rejection of the null hypothesis and acceptance of the alternative hypothesis.

H01.3 – There is no significant statistical impact of the quality of Internet Banking services on market share as regards assurance at $p \leq 0.05$.

TABLE 10: *Testing the results of assurance on the market share*

Significance level Sig	The calculated value of T	Regression coefficient ß	Independent variable	Dependent variable
0.000	11.993	0.558	assurance	market share
R = 0.558 R2 = 0.311 F = 143.836 Sig. = 0.000				

Table 10 shows that the impact of the independent variable (assurance) on the dependent variable (market share) is statistically significant, as the calculated value F is 143.836, and the level of significance is Sig = 0.000, which is less than 0.05, and the value of the correlation coefficient R = 0.558 suggests a positive relationship between the two variables, and the value of the coefficient of determination is R2 = 0.311.

This refers to the rejection of the null hypothesis and acceptance of the alternative hypothesis.

Ho1.4 – There is no significant statistical impact of the quality of Internet banking services on the market share as regards web interface at $p \leq 0.05$.

TABLE 11: *Testing the results of web interface on market share*

Significance level Sig	The calculated value of T	Regression coefficient ß	Independent variable	Dependent variable
0.000	10.411	0.504	web interface	market share
R = 0.504 R2 = 0.254 F = 108.394 Sig. = 0.000				

Table 11 shows that the impact of independent variable (web interface) on the dependent variable (market share)is statistically significant, as the calculated value F is 108.394, and the level of significance is Sig = 0.000, which is less than (0.05), and the value of the correlation coefficient R = 0.504 suggests a positive relationship between the two variables, and the value of the coefficient of determination is R2 = 0.254), which confirms a significant decline.

This refers to the rejection of the null hypothesis and acceptance of the alternative hypothesis.

Results

This study attempts to investigate the impact of the quality of Internet Banking on market share, and the results (findings) are as follows:

1. The study has rejected the null hypotheses and accepted the alternative hypotheses as the main hypotheses.
2. The study has rejected the null hypothesis and accepted the alternative hypothesis as the three sub-hypotheses.

3. There is a significant statistical impact of the quality of Internet Banking on market share in Jordan.

Recommendations

- Make the interface website more interesting and aesthetic. It should be characterized by simplicity and be designed to offer a wider range of services, as it provides basis for the presence of the bank in the virtual market.
- Make use of electronic means while developing the market share inside and outside Jordan banking services.

The researcher recommends the following future research:
- conducting this study using intermediate variables such as the reputation of the bank and its image as this study has examined a direct relationship between the variables.

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