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The Relationship Between Satisfaction, Trust and Loyalty in Electronic Banking

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ABSTRACT

Nowadays, the increase of competition has made organizations constantly strive to increase their productivity and reduce their costs. The rapid growth of systems based on electronic technology led to a significant change in banking services. Information technology has made it possible for electronic channels to perform many banking services that were traditionally performed over the counter. Albanian banks are making efforts to provide high-quality products and services to satisfy their customers as well as to increase customers' trust and loyalty to banks. The purpose of this study is based on the current state of e-banking in Albania to measure the impact that trust and loyalty have on the satisfaction of e-banking customers. The study is based on primary data collected by the administration of 400 questionnaires in Gjirokastra region. The data were analyzed using regression analysis and analysis of variance components, which resulted in both variables included in the model to be statistically significant, but among the above two factors the most important turned out to be trust, because according to the model if trust improves by one degree then satisfaction is expected to increase by 0.39 degrees. Albanian banks need to consider this effect of trust and loyalty on e-banking customer satisfaction, striving to increase them.

Keywords: satisfaction; trust; loyalty; electronic banking; Albanian banks; bank transactions; home banking; ATM; POS terminal

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INTRODUCTION

Nowadays, the increase of competition has made organizations constantly strive to increase their productivity and reduce their costs. The rapid growth of systems based on electronic technology, especially those related to the use of the Internet and personal computers, led to a significant change in the exchange of products and services in general as well as banking services in particular. Shankar and Jebarajakirthy [1] claim that e-banking is a competitive activity that aims to intensify competition in a way that attracts customers and increases revenue flow by expanding the range of banking services. Therefore, the acceptance of electronic banking by customers is one of the essential factors in the success of the overall activities of commercial banks. Moreover, electronic banking is an essential factor for the development of the electronic society [2] that is necessary for the processes of digitalization of the economy that are taking place in the world. On the other hand, as explained by Ling et al., the rapid development of computer technology is considered as a trading tool that attracts more customers to conduct banking transactions [3].

The current variant of web-based electronic banking is the latest of several generations of systems: ATMs were the first known machines to provide electronic access to retail bank customers. Phone banking then appeared where users call their bank computer system with their regular phone and use the phone keypad to perform banking transactions. PC banking surpassed telephone banking by allowing users to interact with their bank via a computer with a dial-up modem connection to the telephone network. Telephone and PC banking require maintenance costs associated with maintaining and updating various modems and avoiding complex installation procedures.

Instead of traditional banking practices, e-banking products and services are advancing more and more, as well as growing in the variety by providing information at an early stage to secure transactional activities [4]. The banking industry has rapidly developed the use of e-banking as an efficient and workable tool to create more and more customer value [5]. Electronic banking is one of the most popular services offered by commercial banks with a positive impact on the performance of banks [6].

The definition of e-banking varies among researchers in part due to the fact that it refers to several types of services through which bank customers can request information and perform banking services. E-Banking service is defined as the exchange of information between customers and providers using technological methods without face-to-face interaction [7]. Shannak [8, p. 242] describes e-banking as "The automated delivery of new and traditional banking products and services addressed to customers through electronic channels, interactive communication".

From the above definitions, we understand that "e-banking" is a very generic term and we need to be clear when talking about it. E-banking can be divided into two streams: electronic monetary products, mainly in the form of cards, and electronic product delivery channels.

The use of e-banking has brought many benefits which include: no restrictions and barriers, services are provided at a minimal cost, it has transformed traditional practices in the banking sector; the only way to stay connected with customers in any country and at any time is through internet applications, it results in high performance in the banking industry through fast delivery of customer information and service security; Customers prefer to use e-banking because it saves time, enables the use of new products or services with low transaction fees and encourages turnover management which is one of the most important dimensions of e-banking service quality [5, 9, 10]. Banks use online banking because it is attractive to customers as it helps reduce costs, control transactions, waiting time, etc. [11].

The services that Banks offer through e-banking and especially Internet Banking as part of it, are classified into four types:

- *Informative.* The bank uses the Internet to introduce its products and services. Through this service, the bank not only informs the client about its existence but also offers an electronic brochure for its services.
- *Communicative.* This type of system allows the connection between the customer and the banking system. The customer sends e-mails for further questions and receives answers from the bank for the questions he has addressed regarding the bank's products and services.
- *User interactive.* The customer is informed about the products that the bank offers by clicking on any product that he is interested in, for which he also receives relevant information. This type of service has many advantages as it offers value to the customer. If the customer is interested in a deposit or loan, he can calculate the interest rates online and can also apply online for the product he wants.
- *Transactional.* This type of system allows the client to conduct banking transactions. The customer can make money transfers, apply for credit or credit cards, pay bills. So it performs all the typical operations of a bank counter.

So we can say that the services offered through electronic banking include:

- *Information:* on the financial products and services that the bank offers; debit / credit cards, credit interest, exchange rates, etc.
- *Balance sheet check:* checking the account balance; checking the status of debit or credit cards as well as detailed checking on the bank accounts of the customers.
- *Transfer of funds:* transfers within or outside the country, payment by cards, loan repayment or direct debits.
- *Loan:* loan application, approval, request for credit limit increase and credit transfer.
- *Other:* financial advice, incident report, personal finance administration and other financial products.

LITERATURE REVIEW

Increased competition in the banking environment, as well as the importance of customer satisfaction, have pushed banks to place more and more emphasis on relationships with their customers. To survive and thrive in such a competitive industry, each bank is not only required to increase the quality of its service but also to meet the needs of customers to increase their trust and loyalty [12]. Customer satisfaction, trust and loyalty are important indicators and numerous studies have identified the benefits they bring to e-banking.

Customer satisfaction

Customer satisfaction has been and continues to be a vital pillar of business success [13]. A satisfied customer is an asset, a real diamond for any

organization and creates a competitive advantage over other companies [14]. It is defined as the way an individual feels about the satisfaction or dissatisfaction that stems from comparisons made between what he or she expects from consuming or using a product and the actual outcome of the product [15, 16].

A satisfied customer will repeat the performance of the service and convey positive messages about it to others. In contrast, a dissatisfied customer is more likely to switch to an alternative product / service the next time he / she recognizes the same need. Not only that but his / her dissatisfaction will be reflected in giving negative messages which can have a seriously detrimental effect on the business. Therefore, it is important for banks to ensure customer satisfaction for their products / services).

A number of studies point to a relationship between customer satisfaction and E-Banking services. In their study, Asiyanbi and Ishola [17] demonstrated that the level of customer satisfaction in the banking sector increases when using E-Banking services. Other studies have shown that satisfaction is one of the essential elements that affects customer trust in online banking [18, 19]. Studying electronic banking, it has been noticed that customer satisfaction leads to increased trust in banking services. Following a trust investigation, banking researchers found that satisfaction is one of the most critical factors contributing to increased trust in banking cyberspace.

According to Forsythe [20], in addition to the different approaches used to examine customer satisfaction, cyclical surveys can also be used to measure customer satisfaction. Another way that can be used to provide an assessment of customer satisfaction is by examining the degree of customer loss [21].

Trust

Trust is one of the factors analyzed by scientists and business analysts. Keskar and Pandey [22] summarized 51 articles exploring studies published between 2002–2016, which found that trust was widely studied as an important factor influencing the adoption and use of e-banking.

There are many benefits provided by e-banking, but despite this fact, researchers agree that one of the essential factors in the adoption of online banking is trust [23, 24]. Lack of trust in banks is a common determinant of bank governance, so the factors that shape trust are a major concern for bank regulators [25]. Moreover, trust has a positive impact on customer-bank relationships in the long run [26]. In recent years many studies have looked at the relationship between trust and intent to use e-banking. In fact, many scientists argue that trust has a direct positive impact on the consumer's intention to use e-banking [27]. Moreover, trust is a determining factor, leading to further use of online banking. Since trust is an important issue in determining the success of e-banking, it is important to determine what leads to a higher level of trust [28].

In this study, we will examine the impact of trust and how this together with loyalty affect e-banking customer satisfaction and how it will help banks build a long-term relationship with their customers.

Loyalty

Loyalty is considered as one of the keys in achieving company success and sustainability in time [29]. It affects the importance of the interaction between re-patronage and the relative attitude of a person [21]. Although customer satisfaction plays a crucial role in business management, it does not guarantee effective business success on its own. However, it does help increase a company's financial position [15]. However, it is more costly to attract new customers than to retain predominant customers [16]. Meanwhile, loyal customers can entice more customers to buy from the company. Customer loyalty is not simply gained, but developed by making good decisions and through resources [30].

Numerous studies have been conducted to identify the benefits that customer loyalty brings to an organization. Most of this research has focused on the financial benefits of customer retention, including known initial cost and attraction of new customers; increase the number of purchases; positive opinion; increasing the value of purchases; and customer understanding.

Dufwenberg [31], found that building good customer relationships is essential in increasing customer loyalty. On the other hand customer loyalty is a function of customer satisfaction [32, 21]. Basically, loyalty represents a form of behavior while satisfaction is an attitude. The success of the

company along with the profits it makes are driven largely by customer satisfaction and loyalty which can be said to be the main focus of most companies [33]. Finally, a significant increase in customer satisfaction will cause a large increase in customer loyalty [34].

PURPOSE AND STUDY OBJECTIVE

Problem formulation

Although a positive trend has been observed in Albania regarding the use of e-banking and the Internet as a new alternative for the provision of banking products and services, although in the Albanian market there are banks that have the support of strong foreign banking groups, this service is not yet developed, resulting in the country with the lowest use of electronic services and products in the region. In Albania, cash is still the predominant means of payment in all areas. It is difficult to build an effective electronic payment system without having complete trust in banks and without having loyal and satisfied customers.

The purpose of this study is based on the current state of e-banking in Albania to measure the impact that trust and loyalty have on the satisfaction of e-banking customers.

In view of the above purpose, the **main objective** of the paper is:

Measuring the impact that trust and loyalty have on e-banking customer satisfaction (with a focus on the Gjirokastra region).

HYPOTHESIS AND METHODOLOGY

Since the impact of factors related to satisfaction, such as customer trust and loyalty to banks in terms of using e-banking in Albania and the relationship between them, has remained largely unstudied, this study is natural. A quantitative treatment was applied to test the conceptual framework. The applied instrument for the study (questionnaire) and the research variables are discussed below.

The decision to use electronic banking is a function of several variables (measured by 7 Likert scales) and personal characteristics. Variables will include e-banking customer satisfaction, trust and loyalty.

To address the research problems and to achieve the main objective, this study will prove the following hypothesis:

Study Hypothesis: Satisfaction is not related to trust and loyalty

To achieve the purpose and objective of the study, a questionnaire was conducted in all three districts of Gjirokastra region. Based on the statistical methods and classical econometric models (linear multifactorial regression) the survey data was processed and the findings and confirmations or not of the hypotheses were extracted.

Sample selection

The empirical analysis is a process that begins with data collection, first, with the determination of a valid sample for the study. The minimum number of observations needed to be considered in this study was calculated according to the formula proposed by Tabachnick and Fidel [35]. This formula takes into account the number of independent variables for calculating the sample size valid for the study. ($N >= 50 + 8m$, where N is the minimum number of sampling observations and m = number of independent [35, p. 123].

A total of 400 questionnaires were randomly distributed through the physical copy to customers using electronic banking services in the Gjirokastra region. The distribution of questionnaires by districts of Gjirokastra region was done in proportion to the population according to the 2011 Census data. The distribution of questionnaires and their validity by districts is presented in *Table 1*.

Data collection

The district banks were visited by us to maximize participation. Participation was voluntary and out of a total of 400 questionnaires distributed, 350 were usable (n = 350). Thus the response rate is 350/400 = 87.5%. Data management is realized in two phases. The first phase consists of cleaning and dumping data in the Eviews program and the second phase — analyzing the data. The data entry in the program is performed based on the data encoding, according to the respective variables.

Data analysis methods

Our study has a three-dimensional character: descriptive, exploratory and causal. The basic method of work is that of analysis and synthesis. Primary data is used for the realization of this work.

Table 1

Customer participation by districts

District	Population	Percentage to total, %	Number of questionnaires	Valid questionnaires	Invalid questionnaires
1. Gjirokastra	37.099	51.40	206	186	20
2. Tepelena	19.606	27.16	108	91	17
3. Përmet	15.471	21.44	86	73	13
Total	72.176	100	400	350	50

Source: compiled by the author.

The literature review is an essential part of the paper. Studies and academic research of Albanian and foreign authors, published in scientific journals in Albania and abroad, the texts of authors, mainly foreign, are the basis of this part of the research. Data collection and analysis by the Bank of Albania served for a more detailed analysis. To measure and evaluate the impact of trust and loyalty on customer satisfaction of Gjirokastra region, a questionnaire was conducted in all three districts of Gjirokastra region. Based on statistical methods and econometric models, the survey data were processed and the findings and confirmations or not of the hypotheses were extracted.

Classical econometric models (linear multifactorial regression), multifactorial analysis of variance (ANOVA), component method of variance, etc.) were used.

The variables we received are of a mainly ordinary nature (ie the interviewees can be ranked according to the values of the variable from 1–7), but also of the nominal scale (gender, area, education, employment, marital status) and the scale in form ratio (age, income, number of years with the bank, number of transactions per month).

Limitations of the paper

There are some limitations to conducting this study in relation to data collection and analysis which are provided below:

First: In the study, it was assumed that respondents have the same level of internet use skills.

Second: One of the limitations of analysis or modeling is the nature of the variables; generally the variables used are measured on an ordinary scale, which violates one of the assumptions of the classical model that variables should be measured on an interval scale; this implies to some extent the relevant findings, so these should be taken as approximations and accepted with reservations.

Third: All the results of the questionnaire are based on the subjective answers of the respondents, who may or may not have been realistic in their answers.

Despite these limitations, this study may serve as a starting point for further studies.

In the future, research can be done by considering a larger number of bank customers trying to understand their level of satisfaction based on the factors cited. At least, after a few years, if the level of satisfaction is measured, then it will serve to identify if any structural progress has occurred among e-banking customers in Albania.

E-BANKING IN ALBANIA

The first bank to offer e-banking products is the American Bank of Albania in 2002, with the introduction of ABAflex. After a slow start, we can say that currently, e-banking has entered a development phase. Today the development of infrastructure has encouraged almost all banks operating in Albania to take on the challenges of providing these services and to diversify the products and services offered by them. Electronic banking products are offered by almost all banks, which have already entered a new phase of this process which consists in their further refinement in terms of technology and the variety of services offered to the clientele. Electronic banking products / services are a facility offered to customers by banks for various services. These products / services consist of the provision by banks for their customers of debit and credit cards, ATMs and POS, internet banking, mobile and SMS banking, etc.

Table 2

Performance of number and value of Home Banking transactions in years

Home Banking Transactions	Number of transactions	% of growth	Value of transactions (million ALL)	% of growth
2015	1404052	–	282756	–
2016	1791989	27.63	343583	24.51
2017	2263607	26.32	550096	60.11
2018	2911837	28.64	885777	61.02
2019	3623642	24.45	960060	8.39
2020	4119802	13.69	1044936	8.84

Source: Bank of Albania (Reports from banks according to the "Methodology for reporting payment instruments").

Home banking

The initiation of credit transfers in electronic form is realized through "home banking" services, which are offered in 11 out of 12 banks operating in the country. These services are finding increasingly widespread use in the Albanian market, being used not only for basic account information services but also for making online payments. In 2020, there is an increase of 13.69% of the volume of "home banking" payments and a slight increase of 8.84% of the value of these transactions, compared to a year ago. The measures taken by the Bank of Albania, as well as the policies of the banks, in the context of promoting alternative payment methods, are estimated to contribute to the increase in the use of "home banking". These measures are reflected in the increase of remotely accessible accounts by about 32.6%, and in the increase of the latter to the total customer accounts by 19.8% (*Table 2*).

Bank cards

Quite common in developed economies are bank cards which is the electronic payment instrument, issued by a bank licensed to conduct banking transactions with predefined functions. Bank cards are electronic payment instruments that have found use in Albania, despite the fact that their use rate is still low compared to the indicators of other countries in the region [36]. In Albania, physical money (cash) is still the predominant means of payment in all areas.

In the Republic of Albania, at the end of 2020, all banks operating in the market are licensed as card issuers, while 7 of them are also licensed as card acceptors. In 2020, there is an increase of 5.62% in debit card issuance and a decrease of 4.38% in credit cards. The performance of the number of cards in circulation in years, according to the card function, is reflected in the following *Table 3*.

The following table presents the number of cards by function and their annual growth rates *Table 4*.

Use of ATM and POS electronic devices

The use of ATMs and electronic devices at points of sale (POS) has played an important role in conducting electronic transactions.

POS (Point of Sale)

The infrastructure provided by these banks has resulted in an increase in the number of POS (Point of Sale) (an increase of 8.50% compared to 2019). Despite the positive trend of increasing the number of POS terminals, reflected in the POS ratio per 1,000,000 inhabitants (which in 2020 results in the figure of 4,268), their concentration continues to be quite high in the region of Tirana, at 88.5%. Virtual POSs, through which online card payments can be made for e-commerce purposes, have also increased significantly. The banking system has provided such services since 2013, but the expansion of their use by traders who want to trade electronically has been at a very moderate pace. Meanwhile, in 2020 there was an increase of 44 virtual POS.

ATM (Automated Teller Machine)

At the end of 2020, the number of ATM (Automated Teller Machine) terminals has increased to 738, compared to 707 terminals that resulted in 2019. Despite the fact that ATMs are mainly used for cash withdrawals, during 2020 we have an expansion of ATM functions that enable deposits and transfers (*Table 5*).

Table 3

Number of cards by function in years

Number of cards by functions	31 December 2015	31 December 2016	31 December 2017	31 December 2018	31 December 2019	31 December 2020
Cards with cash function	940 278	999 313	1 064 725	1 128 026	1 206 410	1 264 220
Card with payment function	907 405	957 548	1 010 431	1 060 337	1 139 334	1 192 140
Of which:						
1 – Debit card	826 280	871 611	914 119	954 902	1 025 559	1 083 243
2 – Credit card	81 125	85 937	96 312	105 435	113 775	108 897
Cards with electronic money function	32 873	41 765	54 294	67 689	67 076	72 080
Total number of cards in circulation	940 278	999 313	1 064 725	1 128 026	1 206 410	1 264 220
Of which:						
– Cards with more than one function	936 327	999 313	1 064 725	1 128 026	1 206 410	1 264 220

Source: Bank of Albania (Reports from banks according to the "Methodology for reporting payment instruments").

Table 4

Number of cards by function and their annual growth rates

Years	Debit card	% of growth	Credit card	% of growth	Total cards with payment function
2015	826 280	–	81 125	–	907 405
2016	871 611	5.49	85 937	5.93	957 548
2017	914 119	4.88	96 312	12.07	1 010 431
2018	954 902	4.46	105 435	9.47	1 060 337
2019	1 025 559	7.40	113 775	7.91	1 139 334
2020	1 083 243	5.62	108 897	–4.29	1 192 140

Source: Bank of Albania (Reports from banks according to the "Methodology for reporting payment instruments").

DATA ANALYSIS AND FINDINGS

To measure the impact that customer satisfaction, trust and loyalty have on e-banking, classical econometric models (linear multifactorial regression) and the method of variance components were used. *Table 6* presents the information of sample composition by personal factors.

Other participants are: 1.43% (n = 5) of the age group under 18 years, 19.43% (n = 68) of the age group 36–45 years, 18.29% (n = 64) of the age group 46–55 years and 8.00% (n = 28) of the age group over 56 years. In terms of marital status, the majority of customers 55.71% (n = 195) were identified as married, 37.71% (n = 132) were identified as single, 2.29% (n = 8) were widowed and 4.29% (n = 15) are identified respectively divorced. Regarding the level of education, statistics show that the majority of customers considered or 60.29% (n = 211) are customers with higher education, 27.43% (n = 96) customers with secondary education, 8.57% (n = 30) customers with postgraduate education and only 3.71% (n = 13) bank customers with lower education. According to statistics, the majority of bank customers considered 82% (n = 287) are customers of urban areas and only 18% (n = 63) customers of rural areas.

Sample according to other factors

Other factors considered in the analysis include employment status, monthly income, number

Table 5

Progress of the number of ATMs and POS in years and annual growth rates

Years	POS equipment (at points of sale)	% of growth	ATM	% of growth
2015	6.689	–	826	–
2016	7.111	6.31	800	–3.15
2017	7.294	2.57	747	–6.62
2018	8.726	19.63	723	–3.21
2019	11.195	28.29	707	–2.21
2020	12.147	8.50	738	4.38

Source: Bank of Albania (Reports from banks according to the "Methodology for reporting payment instruments").

of years with the current bank and number of transactions per month. *Table 7* presents detailed information of the sample composition according to the other factors mentioned above.

According to statistics, in terms of employment status 11.14% (n = 39) customers were students, 38.29% (n = 134) were employed in the public sector, 28.00% (n = 98) were employed in the private sector, 11.14% (n = 39) were self-employed, 8.00% (n = 28) were unemployed and 3.43% (n = 12) were others.

According to statistics, 37.71% (n = 132) customers of the bank had monthly income up to 30,000 ALL, 46.86% (n = 164) customers had a monthly income of 30,001–50,000 ALL, 13.43% (n = 47) customers had monthly income 50,001–100,000 ALL and only 2.00% (n = 7) customers had a monthly income over 100,000 ALL.

Regarding the number of years with the current bank, 13.14% (n = 46) customers had up to one year with the current bank, 25.43% (n = 89) customers had 1–3 years with the bank, 24.86% (n = 87) customers had 3–5 years with the bank, 19.43% (n = 68) customers had 5–10 years with the bank and 17.14% (n = 60) customers had over 10 years with the current bank.

Most of the bank's customers 54.28% (n = 190) customers performed 2–5 transactions per month, 24.86% (n = 87) customers performed only 1 transaction per month, 16.57% (n = 58) customers performed 6–10 transactions per month and 4.29% (n = 15) customers performed over 10 transactions per month.

Table 6

Sample by personal factors

	Frequency	Percent
A. PERSONAL FACTORS		
1. Gender	**350**	**100.00**
a) Female	186	53.14
b) Male	164	46.86
2. Age	**350**	**100.00**
a) below 18 years old	5	1.43
b) 18–25 years old	88	25.14
c) 26–35 years old	97	27.71
d) 36–45 years old	68	19.43
e) 46–55 years old	64	18.29
f) More than 56 years old	28	8.00
3. Marital status	**350**	**100.00**
a) Married	195	55.71
b) Single	132	37.71
c) Widowed	8	2.29
d) Divorced	15	4.29
4. Education level	**350**	**100.00**
a) Low education	13	3.71
b) Secondary Education	96	27.43
c) University education	211	60.29
d) Postgraduate education	30	8.57
5. Area of residence	**350**	**100.00**
a) Urban areas	287	82.00
b) Rural areas	63	18.00

Source: compiled by the author.

Regression Analysis

Hypothesis 1: Satisfaction is not related to trust and loyalty

The model derived from the above multivariate analysis (*Table 8*)

is presented as follows:

$$SATISFACTION = 1.622169 + 0.388420\ TRUST + + 0.326022\ LOYALTY + \varepsilon.$$

In this model the Durbin — Watson test turns out to be 1.842602, a value within the allowable range (1.5–2.5) and shows that the assumption regarding autocorrelation has not been violated. Meanwhile, the variation of the dependent variable is explained 55% of the independent variables taken in the model, because the adjusted coefficient of determination is $R\ 2 = 55\%$, while 45% of the variation of the variable "satisfaction" is explained by other random variables not included in the model.

Furthermore, from the data in the table above it appears that the model is statistically significant at the 95% confidence level ($F = 213.6291$; Prob $F = 0.000000 < < 0.05$). If we analyze the importance of each of the independent variables included in the model (trust and loyalty), they turn out to be statistically significant, so their effect on satisfaction is significant (valid).

This is confirmed by the test values *t* and the probability p values that for each variable result respectively tbesimi = 9.326493, *p* (*t*) confidence = = 0.0000 < 0.05; loyalty = 7.485194, *p* (*t*) loyalty = 0.0000 < < 0.05. It is also noted that among the above two factors the most important turns out to be trust, because if trust improves by one degree then satisfaction is expected to increase by 0.39 degrees.

Consequently, we can say that the above implication is rejected with a probability of at least 95%.

Analysis of variance components for the main variables

Analysis of variance components for satisfaction

Analysis *Table 9* divides the satisfaction variance into 4 components, one for each factor. The purpose of such an analysis is usually to estimate the amount of variability contributed by each of the factors, called variance components. In this case, the most contributing factor to the variance is the quality of service. Its contribution represents 38.0996% of the total satisfaction variation.

Table 7

Sample by other factors

	Frequency	Percent
B. OTHER FACTORS		
1. Employment status	**350**	**100.00**
a) Student	39	11.14
b) In the public sector	134	38.29
c) In the private sector	98	28.00
d) Self-employed	39	11.14
e) Unemployed	28	8.00
f) Others	12	3.43
2. Monthly income (ALL)	**350**	**100.00**
a) Up to 30.000	132	37.71
b) 30.001–50.000	164	46.86
c) 50.001–100.000	47	13.43
d) Over 100.001	7	2.00
3. Number of years with current bank	**350**	**100.00**
a) Up to 1 year	46	13.14
b) 1–3 years	89	25.43
c) 3–5 years	87	24.86
d) 5–10 years	68	19.43
e) Over 10 years	60	17.14
4. Number of transactions per month	**350**	**100.00**
a) 1	87	24.86
b) 2–5	190	54.28
c) 6–10	58	16.57
d) Over 10	15	4.29

Source: compiled by the author.

Analysis of variance components for loyalty

Analysis *Table 10* divides the loyalty variance into 4 components, one for each factor. The purpose of such an analysis is usually to estimate the amount of variability contributed by each of the factors, called variance components. In this case, the most contributing factor to variance is price. Its contribution represents 47.6809% of the total loyalty variation.

Analysis of variance components for trust

Analysis *Table 11* divides the variance of confidence into 4 components, one for each

Table 8

Summary of the model for satisfaction according to the smallest squares method

Dependent variable: SATISFACTION				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
C	1.622169	0.190437	8.518147	0.0000
TRUST	0.388420	0.041647	9.326493	0.0000***
LOYALTY	0.326022	0.043556	7.485194	0.0000***
R-squared	0.552543	Mean dependent var		5.444126
Adjusted R-squared	0.549956	S.D. dependent var		1.149355
S.E. of regression	0.771048	Akaike info criterion		2.326427
Sum squared resid	205.7022	Schwarz criterion		2.359565
Log likelihood	–402.9614	F-statistic		213.6291
Durbin-Watson stat	1.842602	Prob(F-statistic)		0.000000

Source: compiled by the author.

Note: *,**,*** indicates that the results are significant at the 10,5 and 1 percent respectively.

Table 9

Analysis of variance components for satisfaction

Source	The sum of the squares	Df	The average square	Components of variance	Percent
TOTAL (corrected)	461.205	349			
Quality of service	315.545	156	2.02272	0.506119	38.10
Quality of E-service	144.604	172	0.840723	0.470478	35.42
Image	1.05544	3	0.351815	0.351815	26.48
Price	0.0	1	0.0	0.0	0.00
ERROR	1.08002E-12	17	6.35309E-14	6.35309E-14	0.00

Source: compiled by the author.

Table 10

Analysis of variance components for loyalty

Source	The sum of the squares	Df	The average square	Components of variance	Percent
TOTAL (corrected)	566.934	349			
Quality of service	403.742	156	2.58809	0.717691	43.80
Quality of E-service	161.181	172	0.937097	0.139557	8.52
Image	0.53125	3	0.177083	0.0	0.00
Price	1.48026	1	1.48026	0.78125	47.68
ERROR	1.02318E-12	17	6.01871E-14	6.01871E-14	0.00

Source: compiled by the author.

factor. The purpose of such an analysis is usually to estimate the amount of variability contributed by each of the factors, called variance components. In this case, the most contributing factor to the variance is the quality of service. Its contribution represents 40.5229% of the total trust variation.

CONCLUSIONS

The purpose of this study is to show the impact of trust and loyalty on customer satisfaction with banks in terms of using e-banking. Customer satisfaction has been and continues to be a vital pillar of business success [29]. A satisfied customer

Table 11

Analysis of variance components for trust

Source	The sum of the squares	Df	The average square	Components of variance	Percent
TOTAL (corrected)	**622.399**	**349**			
Quality of service	433.678	156	2.77998	0.726567	40.52
Quality of E-service	187.666	172	1.09108	0.714597	39.86
Image	1.05544	3	0.351815	0.351815	19.62
Price	0.0	1	0.0	0.0	0.00
ERROR	3.41061E-13	17	2.00624E-14	2.00624E-14	0.00

Source: compiled by the author.

is an asset, a real diamond for any organization and creates a competitive advantage over other companies [14].

The multivariable analysis was used in this study in purpose to determine the link between satisfaction, trust and loyalty. The findings showed that both variables included in the model were statistically significant, but among the above two factors, the most important turned out to be trust, because according to the model if trust improves by one degree then satisfaction is expected to increase by 0.39 degrees. This finding is in accordance with the findings of previous similar studies. Anderson and Sullivan [37], have found a positive correlation between customer satisfaction and loyalty. Also, Caruana [38], argued that loyalty can be achieved through satisfaction. Other studies have also analysed the relationship between trust and loyalty. According to the study of Mohammed et al. [39], the relationship between trust and customer loyalty is important, suggesting that a higher level of trust leads to increased customer loyalty to the bank. Such a study can be undertaken in Albania to determine the link between customers' trust and loyalty to banks. Our findings are also in line with the study of Arasly et al., [40] where the SERVQUAL dimensions were the explanatory variables in predicting customer satisfaction and the reliability dimension turned out to have the greatest impact on overall customer satisfaction. Othman and Owen [41] suggested that there is a strong link between SERVQUAL and customer satisfaction in the banking sector which supports previous studies. There is evidence to suggest that service quality leads to customer satisfaction and helps to retain existing customers and attract new customers.

Management Recommendations

The results of this study show that banks should pay more attention to increasing customer satisfaction, trust and loyalty that customers have towards banks. This will help them not only keep their existing customers but also increase the number of new customers.

Albanian Banks must provide customers loyalty to achieve stable financial growth and improve their position in the market. They need to develop strategies to ensure increased customer satisfaction and loyalty through improved service quality, if loyalty increases this can lead to significant profit growth. Moreover, customers will stay loyal to their banks when there is an increase in the level of satisfaction. For this, we consider the vital role of customer satisfaction in customer relationships and the positive impact on loyalty.

Based on the above analysis and conclusions we recommend:

1. Banks need to make greater efforts to promote electronic banking services. In this context, banks should increase cooperation with civil society, the Ministry of Finance, the Directorate of Prevention and Money Laundering, the Directorate of Taxation, the Bank of Albania, etc., in order to raise public awareness in general to reduce the use of money physical (cash) and the realization of payments electronically. This will increase the effectiveness of the economy as a whole.

2. Banks should try to expand their network, they can promote, subsidize costs, free training, access to multiple facilities, motivating programmes for users and all people. E-banks should make efforts to aggressive marketing campaigns. Due to the rapid development of technology, banks can interact closely in the field of standards development in order to provide services to third parties.

3. Banks' managers should: consider the importance of overall customer satisfaction, improve their relationships with their customers, know the reasons that may cause dissatisfaction or attraction of products offered by competitors of the bank. They need to pay attention to the needs of their customers to keep them more satisfied, trustworthy and loyal to the bank.

4. Banks' managers should evaluate the importance of e-service quality and service quality with all their components, as significant factors that affect satisfaction, trust and loyalty of customers to the bank.

5. An open-minded business culture, assessing technological development and being willing to put into production new advanced solutions, is another aspect that should be embraced by the banking system in Albania for the development of "e-banking". Implementation of electronic banking is not a campaign, but a long-term process, which should be seen as an investment and not as an expense.

6. Development of technological solutions should not focus on a product or e-banking service, but on the relationship with the customers. The success or failure of E-banking depends to a large extent on the integration of technology infrastructure with business processes.

7. Another important aspect in the development of e-banking services is the quality of the legal framework. Approval of electronic signature laws and the protection of personal data will significantly accelerate the development of electronic banking, helping to build customer trust.

8. These important developments in the banking system are closely related to the further growth of the supervisory role of the Bank of Albania. Further development of the relevant legislation and regulations of the Bank of Albania will serve as a guide and guarantee for the continuous consolidation of electronic banking services and in particular "e-banking" services as well as guarantees for customer security on the other hand. The Bank of Albania should conduct regular examinations in the banking system to ensure that the technical infrastructure, transparency towards the customer and all risks associated with the provision of such a service are addressed in accordance with the Bank of Albania regulatory framework and best international practices.

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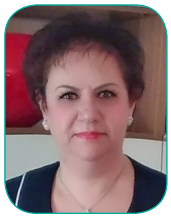

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