



RESEARCH ARTICLE
VIRTUAL MARKETING AND ITS IMPACT ON THE QUALITY OF BANKING SERVICES

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ABSTRACT

This paper tries to have a better understanding of how virtual marketing affects services' quality in banking sector. Data was collected from a random population sample (n=60) to reveal customers perspective in this study, a survey written questionnaire was answered by a randomly selected sample. Data were assembled from this research instrument analyzed by (T) test (3.5) for interpretation. To accomplish the finest approach concerning the research and achieve the meant population which is the keen customers of commercial banks of Jordan who are able to provide significant responses. However, the study finds that Virtual marketing has important and significant effect on customers perceived banking services and the service quality has been improved since Virtual marketing has been used in banking sector.

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INTRODUCTION

Understanding had become an important issue in marketing. Line (2003) identified that companies, today, have moved their focuses into customers oriented marketing rather from products and sales. Practitioners and academics are assessing service quality to understand their antecedents, consequences and to set up methods for improving quality to achieve advantage and assemble customers' satisfaction (Palmer and Cole, 1995)

Banks uses several ways to distribute and promote their services, such as:

A traditional way of intermediaries for transferring and promoting banking services to the client Commercial advertising (TV, radio, illuminated advertising screens, spot light, etc.).

Public Relations between banks, institutions and individuals
E-service marketing, like ATM Services, Visa card, computer networks and Virtual marketing for Banking Services

Research Problem

This study inquires about the following questions

1. Does virtual marketing improve quality services of banking?
2. Does virtual marketing have a high degree of reliability and safety?
3. Can virtual marketing build a bridge of communication between the Bank and the Customer?

Study Hypotheses

1. There is no significant impact of virtual marketing on the quality of banking services.
2. There is no significant effect of electronic communication

methods on the quality of banking services.

3. There is no statistically significant effect of safety degree on the quality of banking services.
4. There is no statistically significant impact of website on the quality of banking services.

LITERATURE REVIEW

Rapid development of information and communication technologies, nearly in all business field; offered new chances and guarantees. Where as Banking Business is free to new expertise owed to its business fundamentals – nearly all banks' products are insubstantial, thus they fit electronic backgrounds. When it concerns protection; Banks are extremely provoked to employ the most recent technologies– they encase entirely employed potentials available by technology. Primarily the clear example of communication & information technology banks used is Internet banking .(Diniz *et al* ,2005)

The benefits of virtual marketing over physical marketing

Virtual marketing is the marketing of a brand via the internet. It includes both direct response marketing and indirect Marketing elements and uses a range of technologies to help connect businesses to their customers (Quirk 200). It can be also defined as all the activities a business conducts via the worldwide web with the aim of attracting new business, maintain current business and developing its brand identity. (Quirk 2006)

Reach: To access potential consumers from all over the world, Virtual marketing brings in new avenues for smaller businesses, with smaller budget. **Scope:** It allows marketers to propose a wide range of products and services and to attain clients in a wide range of ways. Virtual marketing consists of, among other things, information management, public relations, customer service and sales. **Interactivity:** It supports conversations between companies and consumers, with a two

way-communication channel, companies can make their consumers more dynamic and adaptive through feeding off of their responses. Immediacy: Virtual marketing can give an instant impact. In which consumers can take the step from hearing about a product to actual acquisition. (Quirk 2006)

E-Banking

The delivered banking services through the Internet are E-Banking services. The increased apply of E-banking services have numerous advantages for both clients and banks. E-banking services permit customers to have a better perception of their banking business and assist them to grip their banking transactions easily and quickly. As well, customers who use Internet banking proved to be concerned in more banking transactions, which is favored by the banks themselves. Besides, by using the Internet, the bank productivity increases as well as the delivery and production of their services developed into more competent (Swedish Bankers' Association, 2005).

Both customer and employees were effectively enabled by technologies in getting and providing services. Clients can serve themselves more efficiently throughout self-service technologies (Zeithaml and Bitner, 2003). For example, by using online banking customers can access their accounts, check balances, apply for loan, shift money among accounts, and take care of mainly any banking need they might have without the assistance of Bank's employees. (ISMAIL and OSMAN, 2012). To make E-banking a success, It has been recognized, it must be for its money saving ability and interface with clients, not through being an income resource (Wade, 2003).

Service Quality in Banking

Cowling and Newman (1995) identified that service quality has been widely used to evaluate the performance of banking services. The customer satisfaction is determined through customer expectation Level and service quality level provided by the organization that the level of Satisfaction has the ability to recognize the relationship between E-banking and service quality. E-banking fills the gap between the expected and perceived service quality, so it plays a vital role in giving satisfaction, as it. To verify the accuracy of the e-banking transactions, banks should make electronic services more accessible by allowing the customer.

Parasuraman *et al.*, (1988), identified five criteria used by customers in evaluating service quality:

1. Reliability; the firm ability to perform the promised service dependably and accurately
2. Responsiveness; the willingness to help customers and to provide prompt service.
3. Assurance; employees' knowledge, courtesy and their ability to inspire trust and confidence.
4. Empathy, the individualized attention given to customers.
5. Tangibles; the appearance of physical environment elements, equipments, personnel, and communication material (reports, billing statements).

Electronic Banking Challenges

Since the arrival of the Internet; Banking practices have undergone significant change. Banks provide many online services, which are immensely convenient for customers.

However, E-banking comprises several risks to the banks and clients.

Regulation and Legalities: it extremely difficult for regulatory authorities to impose finance laws through E-banking. Moreover, as regulations vary from country to another country, banks possibly will lack expertise in the financial laws for each country in which they have business.

Digital and Financial Divide: in "E-banking: Challenges and Opportunities," Rupa Rege Nitsure, argues that a digital divide exists between banks. the size and financial support a bank related to this problem. so that they could reduce digital divide and compose more commercially fair Internet banking to banks and customers ; banks would need an adequate funding source

Security: Schechter stated that E-banking sets a bank to security concerns. For example, bank's server hacking to reach accounts data. Banks use Internet banking ought to update their software and hardware constantly to make sure that their security risks do not increase through compatibility issues and increased knowledge of security systems.

Reputation: Schechter asserts that governance and security problems might make a bank look bad to clients. Additionally, the bank may gain an impersonal feel if it more relies on Internet banking. These problems may discourage clients from choosing a bank that relies on e-banking, regardless of how convenient e-banking may be.

METHODOLOGY

In the randomly population sample, each member has an equal chance to take a part in the study.

A survey written questionnaire was answered by the defined population. For more explanation, (T) test (3.5) was used to examine the data collected from this research device. The overall number of participants in the study is (60 banks' clients); in order to get better approaching as regards the research and achieve the intended population which is the most keen customers of commercial banks of Jordan that are able to present relevant responses. Samples consisted of Customers of two banks of the Greater Amman area banks. The number of males was (48 clients = 80 %) and females were (12 clients = 20 %).

Participants were acknowledged that all information relating to them will be confidential and will only be used for the study purpose, accordingly, answering the questionnaire was under their consent.

Participants' profile and the survey questions are the two sections which the questionnaire was divided into. The profile includes socio-demographic characteristics of study members like age, gender, individuals' income level and qualifications. To determine the impact of virtual marketing on the quality of banking services in the survey questions, participants responded to sixteen statements. The questionnaire consisted of statements about the usage of Virtual marketing and its impact on participant derived from their observation.

DISCUSSION

A question was asked to the highest degree earned by participants, and whether they had completed an

undergraduate, a university degree or Secondary education. Nevertheless, the majority of the participants had a Bachelor degree (39 participants, 65%). Table 1

Table.1 Qualifications

Qualification	Number	percentage
Secondary	7	1.7 %
Diploma	13	8 %
Bachelors	39	65 %
Graduate	21	21 %
Total	80	100%

Table 2

Calculated T	Average	Significance level	Result
22.787	4.6750	0.000	rejected

T test was also used to examine the hypothesis that "Virtual marketing has no effect on Banking Services qualities", on the statistical significance ($\alpha = 0.05$).

Table 2 reveals that there are statistically significant differences, where the value of T test is (22.787) and the statistical significance (0.000), which is less than the specified value (0.05), which is less than the specified value (0.05).

Table 3

Calculated T	Average	Significance level	Result
9.308	4.1917	0.000	rejected

T test was employed to observe the hypothesis that " no impact on the quality of banking services electronic communication means have ", on the statistical significance ($\alpha = 0.05$).

Table 3 reveals that there are statistically significant differences, where the value of T test is (9.308) and the statistical significance (0.000), which is less than the specified value (0.05), which is less than the specified value (0.05).

Table 4

Calculated T	Average	Significance level	Result
6.598	3.9389	0.000	rejected

T test was employed to examine the hypothesis that "no impact on the quality of banking services the degree of safety has ", on the statistical significance ($\alpha = 0.05$).

Table 4 reveals that there are statistically significant differences, where the value of T test is (6.598) and the statistical significance (0.000), which is less than the specified value (0.05), which is less than the specified value (0.05). Accordingly, the availability of security and confidentiality has increased the quality of Banking Services.

Table 5

Calculated T	Average	Significance level	Result
4.651	3.9333	0.000	rejected

T test was used to examine the hypothesis that "Electronic Website has no impact on the quality of banking services ", on the statistical significance ($\alpha = 0.05$).

Table 5 reveals that there are statistically significant differences, where the value of T test is (4.651) and the statistical significance (0.000), which is less than the specified value (0.05), which is less than the specified value (0.05).

RESULTS & RECOMMENDATIONS

To categorize the mainly significant outcomes of the study and to reach an access to a range of recommendations, previous section discussed and analyzed the responses of the study participants to the questionnaire paragraphs, By analyzing

study questions we end with the significance of discussing the issue of virtual marketing generally and its increasing importance. The answers revealed that Virtual marketing has impact on Banking Services Quality.

The study highlighted a number of the key factors which are a chief role in the increasing importance of virtual marketing; among the most prominent reasons is the availability of electronic communication techniques.

One of the topics interested by the study is the security and confidentiality of information, which is believed as one of virtual marketing most central issues that have to be considered, and its impact on increasing the quality of Banking Services.

Another important topic was highlighted is the impact of the website on the quality of banking services and the need to update and develop the existing information on the Bank's website, in addition, to use a variety of involved in a set of standards that must be accounted when practicing e- marketing by electronic delivery of services time periods and to decrease the cost of electronic services.

In addition, it's highly recommended that the banks to use intense publicity campaigns to produce public about their electronic services and to distribute leaflets on how to use these services.

The use of advanced technology continuously always makes Bank In the foreground of Electronic Banking Business. In addition, Banks must acquire new more secure means to maintain customer mail site and that the banks must create a database serve customers faster, better and continuously update the information

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