



**Arab American University**

**Faculty of Graduate Studies**

**The Impact of Digital Customer Experience on  
Banking Service Quality in Palestine: The Mediating  
Role of Customer Involvement**

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**This Thesis Was Submitted in Partial Fulfillment of  
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## Thesis Approval

**“The Impact of Digital Customer Experience on Banking Service Quality in Palestine: The Mediating Role of Customer Involvement”**

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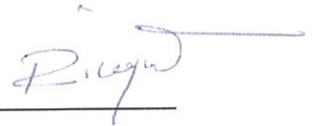
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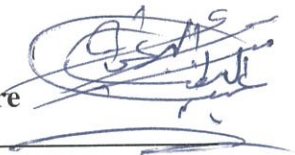
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## Declaration

This Thesis is a presentation of my original research work. I certify that this Thesis has not already been submitted for any other degree or diploma in any other university or other institute of higher education.

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A handwritten signature in blue ink, appearing to be 'S. Saleh Rabi', written over the 'Signature:' label.

## **Acknowledgements**

To my father, the first motivator and forever teacher...

To my mother, the strong woman, the generous giver...

To my all-time friend, my idol, Samer...

To those who believed in me, put me on the track, and showed me the  
way...

## **The Impact of Digital Customer Experience on Banking Service Quality in Palestine: The Mediating Role of Customer Involvement”**

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### **Abstract**

Recently, the global competition for goods and services has become very high due to the availability anywhere and anytime. Moreover, the similarity of services has raised the competition especially among the banking sector, which made the quality of these services is the new battleground for these organizations to excel and build strong relationship with the customers. On the other hand, it became very essential for the banking organizations to provide fast and convenient service anywhere and anytime due to the late technological revolution, in order to increase the customer satisfaction.

As a result, the aim of this study is to identify the impact of digital customer experience on banking Service Quality in Palestine, and the mediating role of customer involvement. This relationship was analyzed after collecting primary and secondary data from different sources. This data included concept definitions of the variables and its dimensions, its importance, its relationship with other concepts by studying the related literature.

The study relied on the descriptive analytical methodology in answering questions and testing hypothesis of the study. The researcher identified the study population as all the customers of the banks operating in Palestine, which amounts to around (1,200,000) customers. A non-random sample (Convenience) was selected and calculated that contained (384) participants.

The researcher used questionnaire as the main study tool which consists of the following sections: The first section is the demographic variables. The digital customer experience, which includes seven dimensions. While the third part of the study tool

measured service quality which includes five dimensions. And the fourth part of the study tool measures customer involvement which includes four items.

The study came out with a number of results, the most important being the following: there is a moderate level in the application of digital customer experience and its dimensions in the Palestinian banking industry. The study also showed that there is a statically strong relationship between digital customer experience and its dimensions and service quality. In addition, the study found that there is a significant impact of digital customer experience dimensions on service quality in Palestinian banking industry.

The study recommended some issues that affect the banking sector in Palestine and improve the digital customer experience and its impact on the service quality, like recommending banks to engage customers in the process of development of services and products. Moreover, the study recommends banks to enhance the technical level of their digital channels and provide them with special features to increase the use percentages.

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**List of Abbreviations**

CX	Customer Experience
DCE	Digital Customer Experience
SQ	Service Quality
CI	Customer Involvement
IE	Informative Experience
EE	Entertaining Experience
SAE	Sensory Appeal Experience
SPE	Social Presence Experience
CON	Convenience
PR	Perceived Risk
PU	Perceived Usability

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## Table of Definitions

<b>Term</b>	<b>Definition</b>	<b>Reference</b>
Digital Customer Experience	The internal and subjective response customers have to any direct or indirect contact with a company. Direct contact generally occurs in the course of purchase, use, and service and is usually initiated by the customer. Indirect contact most often involves unplanned encounters with representations of a company's products, services, or brands and takes the form of word-of-mouth recommendations or criticisms, advertising, news reports, reviews, and so forth	Meyer, Schwager, (2007, P. 2)
Informative Experience	The extent to which an online channel provides resourceful and helpful information	Lim & Ting, (2012)
Entertaining Experience	The immediate pleasure the experience provides, regardless of its ability to encourage or facilitate a shopping task or buying decision	Babin, Darden & Griffin, (1994)
Social Presence Experience	The feeling of warmth, sociability, and human contact that an online channel offers	Gefen & Straub, (2003)
Sensory Appeal Experience	Factors that encourage the human senses; sight, sound, smell, taste, and touch	Gentile, Spiller & Noci (2007)
Perceived Usability	information is provided with a logical flow and organization through uncluttered screens	Elliott & Speck (2005)
Convenience	The ability to use self-service technology	Salehi, Abdollabeigi, LAngroudi & Salehi (2012) p. 383),
Perceived Risk	Unresolved tension between the customer's buying goals, the different offerings of products	Cox (1967a, 1967b)

	or services that match these goals, and possible adverse outcomes of the purchase being made or not made	
Service Quality	the customer's evaluation of the company's performance compared to his own expectations	Albarq, (2013)
Reliability	Doing the correct service by the first time in the banks	Parasuraman, Zeithaml, & Berry, (1985, 1988, 1994)
Tangibility	the physical appearance	Parasuraman, Zeithaml, & Berry (1985, 1988, 1994)
Assurance	employees' capacity to make the customers feel trust by showing their self confidence and knowledge	(Parasuraman, Zeithaml, & Berry, 1994)
Empathy	the ability of the organization to understand another person's inner experiences and feelings and a to see things from his perspective	(Davis, 1994)
Customer Involvement	A stimuli of consumers' buying decisions	Engel et al. (1982)

## **Chapter One**

### **Introduction**

#### **1.1 Background**

World is moving from physical to virtual, and the main concepts of the business and economy are changing also, organizations have nothing more important than knowing their customers' needs and building strong relationship with them. These facts have raised the need and importance of digital marketing (Wind & Mahajan, 2002). "Digital marketing is the utilization of electronic media by the marketers to promote the products or services into the market" (Yasmin, Tasnim & Fatima, 2015). Moreover, it has many different benefits on the businesses, in addition, it's a cost-effective tool (Bala & Verma, 2018). Digital marketing became a very important part of the organizations strategies, it's an attractive tool for the customers that allows them to interact with the brand through social media (Yasmin, Tasnim & Fatima, 2015). Regarding banks, digital marketing plays an essential role in helping banks to create special products, services, and processes to match their customers' needs. (Ng'ang'a & Caroline, 2015).

The next considered competitive battleground is the digital customer experience (Klaus, 2014). Trying to understand the customer experience and building strategies is a top priority for the huge international organizations currently (Klaus, 2014). Good customer experience means customer satisfaction, and customer satisfaction has a main positive effect on service quality (Yarimoglu, 2014). Moreover, the mediating variable in this research is the customer involvement, which is an influencer to customer's decision (Cheung & To, 2011).

The Customer experience is defined as "The sum of all experiences a customer has in their interactions with a company and its products or services" (Borowski, 2015), and this

experience determines the perceptions of the customers about their banks. However, banks struggle to maintain their customers and build long term relationships with them by searching for all the reasons that make them not only satisfied, but delighted. Thus, banks started to focus on digitization to cope and keep up with the latest technologies that could save the customers' time and effort.

Digital channels in the banks are attracting customers' attention because they ease the communication and interaction between the customers and banks. Moreover, digital channels are competing its counterpart physical channels and making a rapid success. In addition to the easiness and convenience that digital channels provide to the customers through making the transactions by just a finger touch wherever they are, digital channels reduce the financial costs of the physical communication. From the researcher's eight-year experience in the banking customer experience and service quality, the physical and face to face communication is very costly, while the digitized channels eliminate the costs of the employees, branches, printed papers, and many other details. For example, the branches and its employees will be completely replaced by the ITM (Interactive Teller Machine) and the in-person kiosks, because these technologies will be able to provide customers with the services, cash, and interactions through remote controlling by some employees in a call center that is located somewhere in the globe. (Price, 2020)

Service quality is defined by (Kotler, Keller 2009) as the excess of the customers' expectations and the conformity in delivering services or products. So when the customer experience is matching or exceeding the customers' expectations, it leaves a good perception and high satisfaction, which increases the service quality level.

Regarding banking sector in Palestine, according to Palestinian Monetary Authority - PMA (2021), there is thirteen working bank in Palestine currently, four of them are local

Palestinian banks, three of them are local Palestinian Islamic banks, and five of them are foreigner banks. There are 381 bank branches in West bank and Gaza and 7,303 employees. Moreover, there is 1,235,310 Palestinians who own a bank account, which forms 44.3% of the adults in Palestine. In 2020, the banking sector loan facilities was \$10,075.5 million dollars with an 11% increase compared to 2019, by the Palestinian Central Bureau of Statistics - PCBS (PCBS, 2020).

The competition among financial institutions in Palestine is very high due to the similarity of the services, especially in the banking sector. The companies in this field are providing almost the same services for the same target with some marginal differences, which took them to a place where they all trying to attract the same customer.

## **1.2 Statement of the Problem**

This research is analyzing the relationship and gap between the digital customer experience and the provided service quality, taking into consideration the dimensions of the digital customer experience (Informative, Entertaining, Social presence, sensory appeal (Bleier, A., Harmeling, C. M., & Palmatier, R. W., 2019), convenience ((Jiang, Yung, & Jun, 2013), perceived usability (Lewis & Sauro, 2018), and perceived risk (Almoussa, 2011), and the service quality dimensions (Reliability, Tangibility, Responsiveness, Assurance, and Empathy) with the “Customer Involvement” (Zaichawsky, 1985) as a mediator variable. Thus, this research aims to analyze the gap between the digital customer experience and the service quality in the Palestinian banks in order to find the key reasons that could help banks in matching and exceeding their customers’ expectations.

The targeted sample of this study is the banking customers in Palestine, who are around 1,200,000 customers. (PMA, 2020) The sample was distributed in west bank and Gaza. The benefited target from this study is the banking sector decision makers who keep up with the latest technologies to improve the customer experience that should match and exceed their customers' expectations, and the stockholders who want to improve the financial performance to increase profits and marketing value of their businesses. It also should benefit the consultancy and marketing vendors who sell their solutions to the banks. Moreover, the stockholders like Palestinian monetary authority and the other banking sector intuitions can depend on this research in enacting legislations and instructions to organize the financial sector.

This importance of this study comes from the importance of the digital customer experience concept. Recently, this concept has become the next battleground in the different sectors according to the previous studies that will be shown lately, due to the importance of building long term relationships with the customers.

For future research, some studies could examine the effect of the digital customer experience on another variable and a different mediator, for example, the effect of digital customer experience on the customer relationship management. Moreover, the sample could be the banks themselves in terms of strategies and internal management.

### **1.3 Research Objectives**

- The main Objective of this study is to examine the mediating role of customer involvement in the impact of the digital customer experience on the banking service quality in Palestine. The main objective of this study is divided into the following sub objectives:

- To identify the level of dimensions of the digital customer experience in the Palestinian banking industry.
- To identify the level of dimensions of the service quality in the Palestinian banking industry.
- To identify the level of customer involvement in the Palestinian banking industry.
- To identify whether the demographic characteristics of customers make significant differences in their awareness of digital customer experience and service quality in the Palestinian banking industry or not.
- To measure the relationship between digital customer experience dimensions, customer involvement, and service quality dimensions in the Palestinian banking industry.
- To measure the mediating role of customer involvement in the impact of the digital customer experience on the service quality in the Palestinian banking industry

#### **1.4 Research Questions**

This research investigates the main question of what is the impact of the digital customer experience on the banking service quality in Palestine? To answer the main questions, the research focuses on the following sub questions:

**Research Question 1:** What is the level of digital customer experience in the Palestinian banking industry?

**Research Question 2:** What is the level of service quality in the Palestinian banking industry?

**Research Question 3:** What is the level of customer involvement in the Palestinian banking industry?

## 1.5 Research Hypotheses

**Hypothesis 1:** The demographic profile (Age, work, qualification, experience, and income) of customers makes significant differences in their awareness<sup>???</sup> of the digital customer experience, customer involvement and service quality in the Palestinian banking industry.

**Hypothesis 2:** The dimensions of digital customer experience are empirically related to the service quality dimensions and customer involvement in the Palestinian banking industry.

**Hypothesis 3:** Customer involvement plays a mediating role in enhancing the impact of the digital customer experience on the service quality in the Palestinian banking industry.

**Hypothesis 4:** Customer involvement plays a mediating role in enhancing the impact of the digital customer experience dimensions on the service quality in the Palestinian banking industry.

**Hypothesis 4-1:** Customer involvement plays a mediating role in enhancing the impact of the informative experience dimension on the service quality in the Palestinian banking industry.

**Hypothesis 4-2:** Customer involvement plays a mediating role in enhancing the impact of the entertaining experience dimension on the service quality in the Palestinian banking industry.

**Hypothesis 4-3:** Customer involvement plays a mediating role in enhancing the impact of the social presence experience dimension on the service quality in the Palestinian banking industry.

**Hypothesis 4-4:** Customer involvement plays a mediating role in enhancing the impact of the sensory appeal experience dimension on the service quality in the Palestinian banking industry.

**Hypothesis 4-5:** Customer involvement plays a mediating role in enhancing the impact of the convenience dimension on the service quality in the Palestinian banking industry.

**Hypothesis 4-6:** Customer involvement plays a mediating role in enhancing the impact of the perceived risk dimension on the service quality in the Palestinian banking industry.

**Hypothesis 4-7:** Customer involvement plays a mediating role in enhancing the impact of the perceived usability dimension on the service quality in the Palestinian banking industry.

## **1.6 Significance of the Study**

The competition among financial institutions in Palestine is very high due to the similarity of the services, especially in the banking sector. The companies in this field are providing almost the same services for the same target with some marginal differences, which took them to a place where they all trying to attract the same customer. This has led the whole sector to think not only about the core of the services they provide, but they also started thinking about the way these services should be delivered.

Banks are aiming to excel in providing their services and maintain long-term relationships with the customers along with satisfied customer experience (CX). CX is considered a differentiator in markets where finding a competitive advantage is a really hard task (Lwmon & Verhoef, 2016). Thus, banks began to make a digital transformation in their communication channels depending on the main dimensions of service quality. The main tools of this scale is to achieve reliability, building assurance, be responsive, show

empathy, and delight their customer with tangible components like cards and facilities (Parasuraman, Zeithaml, & Berry 1985). These dimensions are measured compared to the customers' expectations. (Morrison Coulthard, 2004).

Although this transformation is almost applied by all the Palestinian banks, there is significant technical and social problems in using the digital banking channels. Most of these banks has launched mobile applications, websites, online banking services, SMS, and contact centers but they continuously suffer from technical and operational problems, which affect negatively the customer perception and satisfaction. Moreover, these banks suffer from the lack of technological awareness of its customers which decreases the usage of these channels.

Lately, COVID-19 created a real communication problem for all the sectors in general and for banking sector especially in Palestine, which led to a high dependency on the digital channels for banks, moreover, digital channels remained the only tool that can be used by the customers to have their financial services and contact their banks during the lockdown.

The previously mentioned troubles with the digital communication channels in the Palestinian banking sector negatively affect the service level that is expected by customers, which could turn them to dissatisfied customers who look for a better experience in another bank. Because the higher service of quality, the more satisfied is the customer (Yarimoglu, 2014). Moreover, the digital engaged customers are six times more likely to try new product, four times more likely to refer the organization, and two times more likely to buy. (Lund, 2020).

The people who will practically benefit from this study are mainly the top managerial positions in the banks who own the authority and the decision to make a complete change

into these organizations. Moreover, this study will be a competitive product for the consultancy and marketing providers who sell their advices to the financial sector.

## **1.7 Research Structure**

This study will contain five chapters, the first chapter is an introduction, the second chapter displays theoretical and empirical literature review, third chapter addresses the methodology, fourth chapter reports data analysis and discussion, and the fifth chapter presents conclusions and recommendations.

## **Chapter Two**

### **Literature Review**

#### **2.1 Summary of Literature Review**

The awareness of the effect of digital customer experience in banking industry is important in developing a service framework that results in excellent quality. This literature review provides an understanding of the theoretical framework that explains the dimensions of the digital customer experience and service quality and the role of customer involvement in this relationship. The empirical structure includes evidence from literature and studies on the concept and dimensions of digital customer experience. There is an in-depth summary of the information at the end of the review that provides a recap of this literature review.

#### **2.2 Theoretical Literature Review**

##### **2.2.1 The Concept of Customer Experience**

Customer Experience has become a competitive battleground more than the quality itself, which makes defining and improving the customer experience the first priority for the research and development of the companies (Klaus & Maklan, 2013). Customer Experience is defined as “The internal and subjective response customers have to any direct or indirect contact with a company. Direct contact generally occurs in the course of purchase, use, and service and is usually initiated by the customer. Indirect contact most often involves unplanned encounters with representations of a company’s products, services, or brands and takes the form of word-of-mouth recommendations or criticisms, advertising, news reports, reviews, and so forth” (Meyer, Schwager, 2007, P. 2).

Researches showed that customer experience is created after a long journey of the customer through interacting with the different touch points or channels of the company through functional and emotional clues (Klaus & Maklan, 2013).

Palmer (2010) defines the word “Experience” as a verb that it “describes a process of learning, leading to learned response”, and as a noun “emphasizes novelty and the lack of predictable, learned response”. As this concept begins to take a wider space in the strategic planning of the companies, many global retailers like Starbucks and Victoria’s Secret work on providing the best customer experience through their different channels according to Verhoef, Parasuraman, Roggeveen, Tsiros, & Schlesinger (2009). According to Meyer, Schwager (2007), customer experience catches and tells what customer thinks about an organization on the points of interaction, through many tools like surveys, studies, and “Voice of Customer”. This data is used by organizational managers to create expectations and develop the service or product.

### **2.2.2 Digital Customer Experience in Banking Industry**

As banking industry is one of the main sectors that have been customer oriented since many years Rawat, Das & Banerjee (2015), they are continuously searching for the ultimate ways to deliver the strongest customer experience for their customers in order to reach a better financial performance (Borowski, 2015), especially that providing the service or product only is not enough currently, banks should provide a complete satisfying experience (Berry, Carbone, & Haeckel, 2002). That’s why customer experience concept is being developed rapidly in the last decade (Rawat, Das & Banerjee (2015).

Recently, banks have started to think more specifically and focusing on digital customer experience concept. (Borowski, 2015). The main reason for this concept creation is that customers are more demanding than ever before, and their expectations are higher (Rawat, 2015). This concept has started to be a very important area that leverages digital advancement which develops organizations and helps achieving sustainability. (Borowski, 2015)

### **2.2.3 The Role of Digital Customer Experience in Banking Industry**

Banks are working continuously on developing the digital customer experience through establishing various digital channels that excess its counterpart physical ones. In addition to providing developed and quick services to the customers, digital banking also reduces the costs of the branches visits and face to face communication (Dootson, 2016). However, digital banking channels have started to replace the traditional communication channels in banks, for example, more than 600 bank branches in the UK have closed due to the increasing acceptance of this concept by customers (BBC, 2016). It means that banks performance is no longer depending on branch sales (Mbama, 2018).

The higher usage of digital devices and the increasing demand of the financial services make it very important to the banks to adopt the digital channels like telephone, internet, and mobile, because it helps their service marketing (Mbama, 2018). Moreover, Shin (2021) shows that what so-called digital banks which are based on the new transactions systems and developed in financial technology contexts, have started to compete and challenge the traditional banks. As a result, banks should do the best to cope with this trend and keep developing to provide the fastest and most convenient ways for their customers. This happens through developing a solid digital customer experience strategy,

otherwise, they will find themselves out of the market (Price, 2020). Moreover, Mbama (2018) emphasizes that digital banking is the tool to capture and retain customers.

Providing digital channels is not enough for today's customers to satisfy them, the quickness is a very important feature to compete. Actually, it's no longer a feature, it's a fundamental point. (Lohr, 2012) assumes that customers don't want to wait a one second after clicking while using websites, even 400 milliseconds which is an eye blink is long to wait, and that focus on a new fact that the online customers can't wait for some seconds when they make an online click, while the traditional customers can wait in the line in the banks' branches for hours. Jun & Cai (2001) found that reliability, responsiveness, access, and accuracy are the main determinants for the customers' satisfaction or dissatisfaction. That means that the development of digital channels should be endless if banks want to gain the competitive advantage.

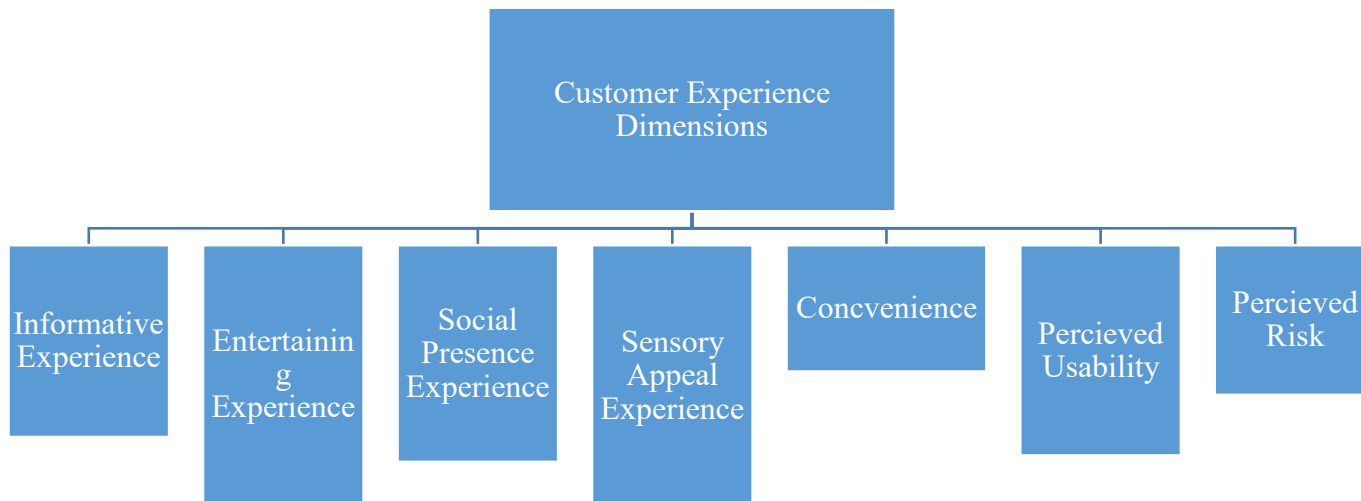
As cited by Rawat (2015), Sharma & Chaubey, (2014) mentioned that customer experience is currently considered as the single most important factor in companies success across all industries, and it has a vital role in creating the success of a company's offering (Gentile, Spiller, & Noci, 2007). Moreover, Palmer (2010) shows that customer experience can overcome many problems related to static and partial measures with service quality by incorporating emotions and perceptual distortion over time. According to Frow & Payne (2007) customer experience management goal is to improve the relationship between the organization and the customers, and to build customer loyalty through exceeding the customers' expectations. Once those expectations are not met, the customer experience will be declined, which leads to customer dissatisfaction and low service quality. Understanding the customer experience and the whole customer journey with the organization is very important (Lemon & Verhoef 2016). In order to deliver the

ultimate customer experience, companies need to understand the customers through the multiple channels of interaction with them, this could happen by using different business solutions, and dealing with external partners (Lemon & Verhoef 2016).

#### **2.2.4 Dimensions of Digital Customer Experience**

Elliott & Speck (2005) show the five website factors affect consumer attitude toward a retail website: Ease of use, product information, entertainment, trust, and currency. While there are two individual difference variables that moderate the relationship between specific website factors and attitude toward a retail website: Product involvement and online shopping experience. The model that has been built in this study to measure the digital customer experience consists of seven dimensions, four of them represent the online customer experience model for Bleier, Harmeling & Palmatier (2019), and the three others were derived from different references in order to create an integrated digital customer experience scale which are: Almousa, (2011), Lewis, Sauro & (2018), Jiang, Yang & Jun, (2013).

Online channels are a specific section that is derived from the umbrella, digital channels. Online channels are those channels that work only using internet like websites for example, while there are many other digital channels that don't need internet connection to work like SMS service (Abud, 2018). Online Customer Experience concept consists of four main dimensions which are Informative Experience, Entertaining Experience, Social Experience, and Sensory Experience (Bleier, Harmeling & Palmatier, 2019). The other three dimensions for the digital customer experience are: Perceived risk (Almousa, 2011), Perceived usability (Lewis & Sauro, 2018), and Convenience (Jiang, Yang & Jun, 2013).



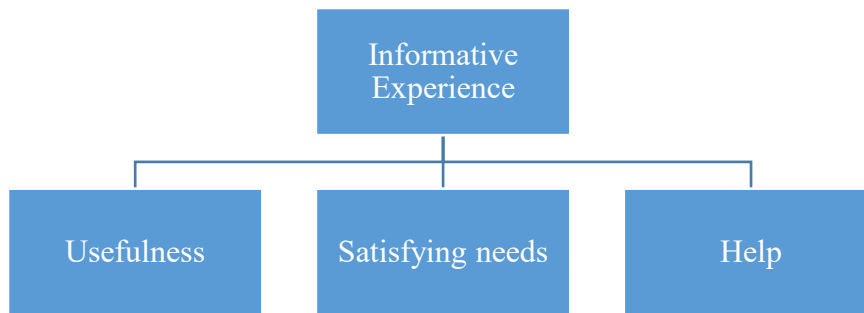
**Figure (1): Digital Customer Experience Dimensions**

- **Informative Experience**

The informative experience dimension is defined as the extent to which an online channel provides resourceful and helpful information (Lim & Ting, 2012), or the extent to which the online channel helps users to make a buying decision (Schwab, 2019).

The informative experience items according to Bleier, A., Harmeling, C. M., & Palmatier, R. W. (2019):

1. Usefulness
2. Satisfying Needs
3. Help



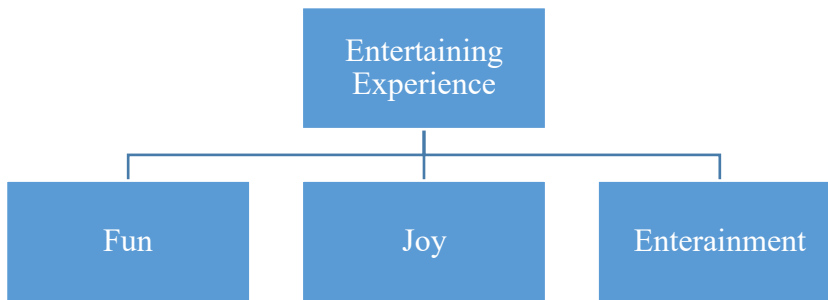
**Figure (2): Informative Experience Items**

- **Entertaining Experience**

It's defined as the immediate pleasure the experience provides, regardless of its ability to encourage or facilitate a shopping task or buying decision (Babin, Darden & Griffin, 1994). Schwab (2019) has commented on this dimension that it catches the pleasure provided by the online channel, so it's an affective dimension. The pleasure and attractiveness is very important to convince customers to use online channels, so it's a very important dimension to the customer experience for the online platforms. (Schwab, 2019)

The entertaining experience items according to Bleier, A., Harmeling, C. M., & Palmatier, R. W. (2019):

- 1- Fun
- 2- Joy
- 3- Entertainment



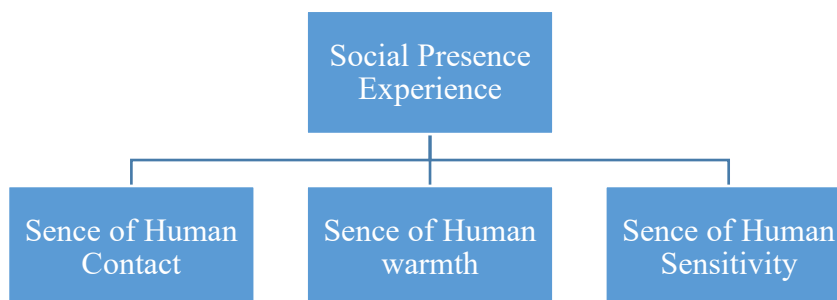
**Figure (3): Entertaining Experience Items**

- **Social Presence Experience**

Its the feeling of warmth, sociability, and human contact that a online channel offers (Gefen & Straub, 2003). This dimension is very important to match the offline experience, which provides the customers with the social aspects like tangibility (Darke, 2016). According to Schwab (2019) social presence is a social dimension that is about feeling of warmth and sociability.

The social presence items according to Bleier, A., Harmeling, C. M., & Palmatier, R. W. (2019):

- 1- Sense of human contact
- 2- Sense of human warmth
- 3- Sense of human sensitivity



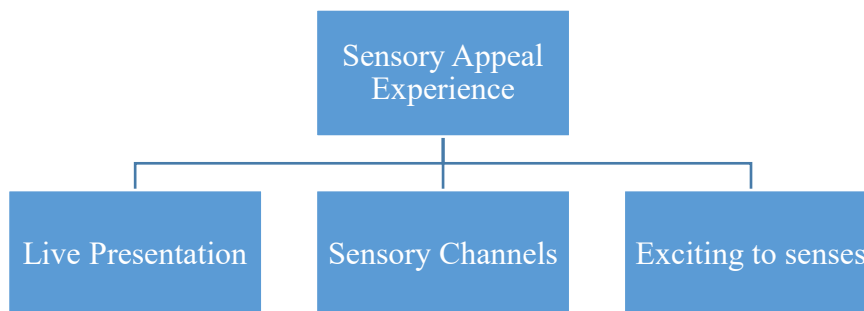
**Figure (4): Social Presence Experience Items**

- **Sensory Appeal Experience**

According to Gentile, Spiller & Noci (2007), it has factors that encourage the human senses; sight, sound, smell, taste, and touch. Moreover, Schwab (2019) assumes that imagery could be a tool to develop the sensory appeal in the online environment through photos and videos.

The sensory appeal items according to Bleier, A., Harmeling, C. M., & Palmatier, R. W. (2019):

- 1- Live presentation for product
- 2- Different sensory channels
- 3- Exciting to senses



**Figure (5): Sensory Appeal Experience Items**

- **Perceived Usability**

The fifth dimension is Perceived usability Lewis & Sauro (2018) or perceived usefulness PU according to Rose, Hair & Clark (2011) and Shin (2021). As cited by Rose, Hair & Clark (2011), Chen & Dubinsky (2003); Cheung et al. (2005); Cho & Park (2001), there is a strong direct relationship between the ease of using the e-channel and the positivity of the experience with this channel. According to Elliott & Speck (2005), as cited by Rose, Hair & Clark (2011), in a website for an organization, the perceived ease of use

could mean information is provided with a logical flow and organization through uncluttered screens. Moreover, the e-channel is considered useful when it fits and supports the daily life of the customer while doing the ordinary activities like shopping or banking (Cao et al., 2005) & (Geffen, 2003) as cited by Rose, Hair & Clark (2011), which deeply affects the customer's satisfaction and reuse intention (Shin, 2021). McLean & Wilson (2016) mention that customers are time conscious, which makes the perceived length of time spent on the website directly affecting the customer experience, and there is a positive relationship between the perceived length of time spent on the website with the need to seek an online customer support. In this research, a model for Lewis & Sauro (2018) is used to measure perceived usability.

This model is designed as a standardized questionnaire called the Standard System Usability scale SUS, contains ten statements that measure the perceived usability of a system by the customers. This model is used to measure the perceived usability of the digital channels of the Palestinian banks by its customers in this research after a small change in the wording to fit with the banking systems, each statement reflects to a specific item in the usability scale. This scale was used through a questionnaire that was distributed among 400 customers of the different banks in Palestine to measure their perceived usability of the banks' digital channels by asking them to confirm or disconfirm the following statements according to their personal experience.

The following is the scale of Lewis & Sauro (2018) which contains ten dimensions:

**Table (1): Perceived Usability Items**

1	I think that I would like to use the digital channels of the bank frequently
2	I found the digital channels of the bank unnecessarily complex
3	I thought the digital channels of the bank were easy to use
4	I think that I would need a support of a technical person to be able to use the digital channels of the bank
5	I found the various functions in the digital channels of the bank were well integrated
6	I thought there was too much inconsistency in the digital channels of the bank
7	I would imagine that most people would learn to use the digital channels of the bank very quickly
8	I found the banking digital channels very awkward to me
9	I felt very confident using the digital channels of the bank
10	I needed to learn a lot of things before I could get going with the digital channels of the bank

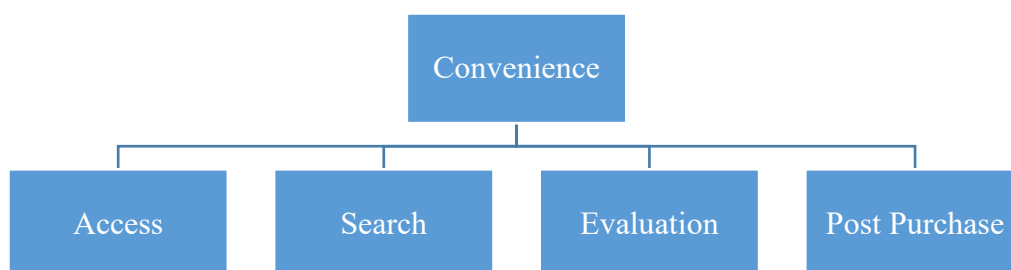
- **Convenience**

The sixth dimension is the convenience Jiang, Yang & Jun, (2013) Shin (2021) or perceived ease of use according to Rose, Hair & Clark (2011). According to Salehi, Abdollabeigi, LAngroudi & Salehi (2012) p. 383), “It refers to the ability to use self-service technology”. As cited by Rose, Hair & Clark (2011), Cao et al. (2005) has built a framework to assess website quality through perceived ease of use and perceived usefulness by the following examples: search facility, responsiveness of the site, the multimedia capability, and the accuracy and relevance of the information. This measure could provide the programmers and developers with a base to design a website that provides perfect customer experience, efficient, and effective, which will definitely lead to positive emotional state, customer satisfaction, loyalty, and reuse intention (Cao et al,

2005), (Rose, Hair & Clark, 2011), (Mbama, 2018), (Shin, 2021). Convenience dimension could be measured by assessing five components of the digital channels according to a model that is developed by Jiang, Yang, & Jun (2013) and is used in this research by distributing a questionnaire among 400 customers of the banks in Palestine that measures their personal experience with the digital banking convenience dimensions: Access, search, evaluation, transaction, and possession / post – purchase convenience. According to research for Garg, Rahman, Qureshi (2014) they found that “convenience” was the most significant factor among 14-factor reliable and valid customer experience scale.

The convenience items according to Jiang, Yung, & Jun, (2013):

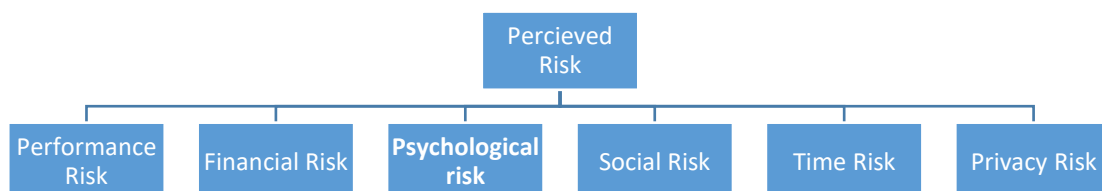
- 1- Access
- 2- Search
- 3- Evaluation
- 4- Post Purchase



**Figure (6): Convenience Items**

- **Perceived Risk**

Online shopping or banking has been always a risky activity (Almoussa, 2011), and risk is always considered a barrier to the e-purchases and transactions (Jarvenpaa & Todd, 1996). As cited by Rose, Hair, Clark (2011), Ha (2004) citing Cox (1967a, 1967b) defined perceived risk as unresolved tension between the customer's buying goals, the different offerings of products or services that match these goals, and possible adverse outcomes of the purchase being made or not made. Perceived risk is an effective negative influence on the online purchasing and subscription process (Drennan, Mort, and Previte, 2006), and it affects both the decision of buying the product or service and exchange process (Rose, Hair & Clark, 2011). As cited by Rose, Hair, Clark & (2011), Bart et al. (2005), Cases (2002), Chen & Dubensky (2003), Ha (2004), Huang et al. (2004) developed many factors for perceived risk: Economic / financial risk, performance risk, persona / psychological risk, social risk, physical risk, and time loss risk. Almoussa (2011) also developed a model to measure the perceived risk in the online financial transactions, this model consists of five dimensions: Performance risk, financial risk, social risk, time risk, psychological Risk, and privacy risk and it is used in the current research to measure the Palestinian banking customers' perceived risk through distributing a questionnaire among 400 customers.



**Figure (7): Perceived Risk Items**

### **1- Performance Risk**

According to Jacoby & Kaplan (1972); Peter & Ryan (1976); Stone & Gronhaug (1993); kim & lennon (2000) as cited by Almousa (2011) Performance risk is the perception that the product purchased may not perform or function as it should, which may fail in providing or matching the desired benefits of the customers. While in the digital banking context, performance risk means that the digital channel performance should be as expected by the customer because it's about financial transactions, and the bad performance could result in financial losses. (Almousa, 2011)

### **2- Financial Risk**

As cited by Almousa (2011), its defined by Jacoby & Kaplan (1972); Peter & Ryan (1976), and Stone & Gronhaug (1993) as the The financial cost related to the buying price and the following maintenance cost. Its considered a financial risk when customers lose their money due to fraud or overspending in the e-transaction (Almousa, 2011). Customers need to trust the website or e-channel they are dealing with in order to make financial transactions. (Luhmann, 1988).

### **3- Psychological Risk**

Jacoby & Kaplan (1972); Peter & Ryan, (1976), and Stone & Gronhaug (1993) defined the psychological risk as the potential loss of self-respect due to the frustration of not achieving a buying goal. While Jacoby & Kaplan (1972) the perception that a negative effect on a consumer's tranquility or satisfaction that might be caused by a defective product, as cited by Almousa (2011). Customers may be afraid of regretting their current financial transactions in the future which makes some concerns to them that could

negatively affect the purchase decision which leads to a psychological risk (Almousa, 2011).

#### **4- Social Risk**

The fourth type or dimension of the perceived risks that are examined by the customer while purchasing or banking using the digital channels is the social risk. As cited by Almousa (2011) social risk was defined by Dowling & Staelin (1994) as the disapproval by the family or friends about a someone's buying action, and was also refers to the potential loss of status in consumer's social group due to either the inappropriateness of the product or disapproval of using internet as a shopping channel (Jacoby & Kaplan, 1972); (Peter & Ryan, 1976), and (Stone and Gronhaug, 1993). Usually, customer tend to hear from the surrounded people and social groups about their opinions in the online purchases in order to decrease social risk. (Almousa, 2011).

#### **5- Time Risk**

Its defined by *Jacob Jacoby & Leon B. Kaplan (1972) as the time and convenience customers lose when they have to replace, repair, adjust a product or service after purchasing it.* It is also defined by Peter & Ryan (1976); Stone & Gronhaug (1993) as the loss of time when customers make the inappropriate purchasing decisions that lead them to replace or repair after a searching and purchasing process, as cited by Almousa (2011).

#### **6- Privacy Risk**

As cited by Almousa (2011), it was defined by Featherman & Pavlou (2003) as the loss of personal information and private data while purchasing online. This type of risks makes

the customers feel that they are loosing their control over their personal information especially when they are asked to enter it to the digital system in order to make the purchasing process (Drennan, Mort & Previte, 2006) as cited by Almousa (2011).

### **2.2.5 The Concept of Service Quality**

Service Quality is defined as the customer's evaluation of the company's performance compared to his own expectations (Albarq, 2013), or a comprehensive customer evaluation of a provided service, and the extent to which it meets their expectations and provides satisfaction (Al-Jazzazi, 2017). Parasuraman et al. (1985) mentioned that service quality is a international assessment, or behavior, relating to the superiority of the service. Mauri, Minazzi & Muccio (2013) define service quality as a multidimensional concept, evaluated and perceived by consumers, according to a set of important parts: tangibility, reliability, responsiveness, assurance and empathy.

### **2.2.6 The Importance of Service Quality**

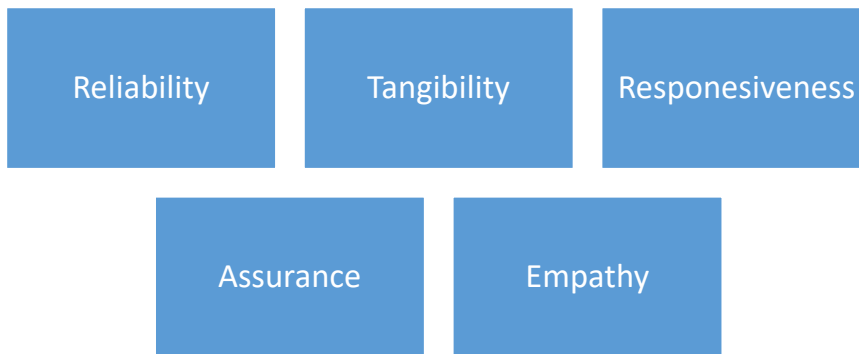
Customers are the final evaluators of quality according to Cheung & To (2011). Service quality is directly linked to the customer satisfaction, if the service quality level is high, then the customer satisfaction is increased (Yarimoglu, 2014). When customers are dissatisfied, they tell three more customers about their bad experience (Horovits, 1990). Its an endless race to keep up with the endless demand of the customers, especially today's customers who see different options and compare the details and looking definitely for the easiest and most convenient way to do their bank transactions. Service quality and customer satisfaction are success factors for the organizations (Angelova & Zekiri, 2011), and they are both highly connected to customer experience, so if the

customer experience didn't meet the expectations, it will lead to customer dissatisfaction and low service quality (Frown & Payne, 2007).

Regarding the digital channels, service quality is very important in the field of e-commerce according to Santos (2003); it provides the ability to compare products in a very easy way and less costs than what is offered by the traditional channels, which makes the e-purchasing more successful. Regarding banks, service quality is considered an important factor to increase market share according to Jabnoun & Al-Tamimi (2003).

### **2.2.7 Dimensions of Service Quality**

In order to measure the service quality level in a bank, there are five main dimensions to be used, which is called SERVQUAL. Firstly, the SERVQUAL model included ten dimensions, and then they were reduced to five (Pakurar, Haddad, Nagy, Popp & Olah, 2019). The main tools of this scale is to achieve reliability and accuracy, building trust and assurance, accessibility, financial aspects, employee competencies, be responsive, show empathy, and delight the customers with tangible components like cards and facilities (Pakurar, Haddad, Nagy, Popp & Olah, 2019). But the SERVQUAL model that is used in this research is the one that was developed by Parasuraman, Zeithaml, & Berry (1985). It includes five dimensions: Reliability, Tangibility, Responsiveness, Assurance, and Empathy. Each one of those dimensions is considered a part of the integrated service quality concept, if the bank achieved the five dimensions, the service quality level will be satisfying for the customers.



**Figure (8): Service Quality Dimensions**

- **Reliability**

Its doing the correct service by the first time in the banks (Parasuraman, Zeithaml, & Berry, 1985, 1988, 1994). It also means the ability to provide the committed services truthfully and consistently (Alnaser, Ghani, Rahi, Mansour, & Abed, 2017). Customers want trustable services on which they can rely. According to the researcher experience in this field, reliability means that customer should not visit or be contacted again to make an action for his service, it should be completed and delivered correctly by the first contact time. It also includes doing all the service parts correctly at the promised time (Saha & Zhao, 2005).

- **Tangibility**

The second dimension of SERVQUAL is the tangibility, which is defined as the physical appearance (Employees and equipment for example) according to Parasuraman, Zeithaml, & Berry (1985, 1988, 1994). This dimension describes the tangible parts of the service. According to (Alnaser, Ghani, Rahi, Mansour, & Abed, 2017) Those things which have a physical existence and can be seen and touched. Despite the fact that banks

are service providers, there are many elements that complements the service and add value to it like the branches interior design, cards, and employees' appearance. However, tangible elements convince the customer more to trust the service and the company, which makes them evaluate the perceived service according to the physical appearance (De Oliveira & Ferreira, 2009). The physical part of the service that is used by customers to evaluate quality. (Pakurar, Haddad, Nagy, Popp & Olah, 2019).

- **Responsiveness**

This dimension refers to the effective communication between the bank and the customer through the bank employees and channels. It's about giving exact time about finishing the service, full attention and respect, cross selling and telling more about the services, and answering the customers' questions and responding to their requests (Parasuraman, Zeithaml, & Berry, 1994). According to Reis & Clark (2013), responsiveness is the interaction between partners and understanding, valuing, and supporting each other and fulfilling personal goals and needs. Moreover, responsiveness supports the relationship and its partners.

- **Assurance**

Assurance is employees' capacity to make the customers feel trust by showing their self confidence and knowledge (Parasuraman, Zeithaml, & Berry, 1994). And created and enhanced by the level of knowledge and courtesy displayed by the employees in selling the services and their ability to instill trust and confidence in customer. (Alnaser, F., Ghani, M., Rahi, S., Mansour, M., & Abed, H. 2017). Its important because if the customer felt that the bank employee is hesitating in providing the information, this will

break the trust with his bank. Moreover, Alnaser, Ghani & Rahi (2017) argues that assurance is the financial security of the customers' transactions.

- **Empathy**

Empathy is the ability of the organization to understand another person's inner experiences and feelings and to see things from his perspective (Davis, 1994), and the ability to feel the experience and feelings of another person. (Hojat, Mangione, Nasca, Cohen, Gonnella, Erdmann, Veloski & Magee, 2001) & (Aring, 1958). Saha & Zhao (2005) define it as the customization of the services to be tied to the customer needs, while Alnaser, F., Ghani, M., Rahi, S., Mansour, M., & Abed, H. (2017) define it as caring of customers by giving attention individually, like giving ears to their problems and effectively addressing their concerns and demands for example.

### **2.2.8 The Concept of Customer Involvement**

According to Engel et al. (1982), cited by Cheung & To (2011), customer involvement is a stimulus of consumers' buying decisions. Moreover, Cheung & To (2011) cited that Zaltman and wallendroff (1983) mentioned that "involvement is considered as a motivational state of mind (arousal) that is goal- directed. In other words, characterizing involvement requires a goal-directed stimulus that generates a need for a particular product or service". While Zaichkowsky (2009) indicates that customer involvement is a motivational factor in consumer behavior, could be used to determine the level of interest, search, or complex decision making in the buying process. And defined it (1985, 1986) as "A person's perceived relevance of the object based on inherent needs, values and interests".

According to Zaichkowsky (2009), Low involvement implies inertia, and high involvement implies a high level of activation and it could encourage customer decision making and interactive communications. Moreover, marketing managers can benefit from the level of customers' involvement in the segmenting and targeting process.

### **2.2.9 Dimensions of Customer Involvement**

In order to measure the customer involvement, Laurent & Kapferer (1985) developed a scale consists of five dimensions of customer involvement: perceived importance, pleasure, perceived sign value or branding, perceived risk / negative consequence of a mispurchase, and subjective probability of a mispurchase. In this research, a model for Zaichawsky (1985) consists of four dimensions is used to measure the customer involvement, this model is derived from the personal involvement inventory scale that contains three main parts: Customer Involvement, Level of Co-Production, and Perceived Service Performance. The four dimensions of Zaichawsky's scale that measure the banking customer involvement are the following statements:

**Table (2): Customer Involvement Dimensions**

1. My banking transaction with this bank is very important to me.
2. My banking activity with this bank is continually of interest to me.
3. My banking activity with this bank has a great concern with me.
4. I am highly involved in reading information about banking services.

In the current research, the above statements are used in a questionnaire that was distributed among a 400 - customer sample to measure customer involvement as a mediating variable that affects the relationship between digital customer experience and service quality in the Palestinian banks.

### **2.2.10 The Importance of Customer Involvement**

Shin (2021) finds that the employee – customer engagement in the banking digital customer experience is one of the main factors that affect the customers' satisfaction and reuse intention. Moreover, Varki and Wong (2003) studied the effect of customer involvement on consumers' willingness to engage in relationships with service providers. They found that the more involved customers are more likely to build relationships with their service providers. They also assume that the healthy relationship between customers and providers depends on the voluntary participation of the customer in the relationship.

Aldlaigan & Buttle (2001) studied Zaichowsky's personal involvement inventory (PII) and Laurent & Kapferer consumer involvement profile (CIP) in the financial sector. They found that there is a high customer involvement in some financial services like Mortgage, investment and cash machine. While the use of savings account, personal loan, a chequebook, overdraft facility, and Switch services are medium involvement service.

In research for Howcroft, Hamilton & Hewer (2007), the results show that there is a real customer need for more information about the products they buy and more involvement with their banks. This makes a necessity for the banks to be taken into consideration in creating and applying relationship management strategies.

### 2.3 Empirical Literature Review

**Table (3): Empirical Literature Review**

Title of study	Aim of Study	Design of study	Findings	Recommendations	Limitations	Further research
Rawat, V., Das, P., Banerjee, B., (2015). Digital Service in Banking: Getting the Most of Today's Evolving Customer Service Model.	highlights the growing importance of digital services in banking, and explores the opportunities for banks to leverage digital services and enhance the customer experience	Qualitative		- IT Strategy to Support Digital Services.  - Investment Areas of Digital Services  - Digital Maturity Assessment		
Dootson, P., Beaton, A. and Drennan, J. (2016), "Financial institutions using social media – do consumers perceive value?", International	To examine consumer perceptions of value of financial institutions using social media to interact with consumers	Quantitative	Perceived usefulness, economic value, and social value predicted overall perceived value, which	Consumers will use social media if the sector creates and clearly articulates consumer		In future studies, the authors recommend examining inhibitors to adoption including hedonic value

<p>nal Journal of Bank Marketing, Vol. 34 No. 1, pp. 9-36.</p>			<p>in turn predicted a consumer's intention to adopt social media to interact with a financial institution.</p>	<p>value from using social media. The sector also needs to address technology security perceptions to increase usage of social media.</p>	
<p>Mbama, C. (2018). Digital banking services, customer experience and financial performance in UK banks (Doctoral dissertation, Sheffield Hallam University).</p>	<p>Determining the impact of digital banking services on customer experience and financial performance</p>	<p>Quantitative</p>	<p>attributes such as perceived value, convenience, functional quality, service quality and digital banking innovation are important in improving customer experience, satisfaction and loyalty, and banks' financial performance.</p>	<p>The results from the thesis have the potential to assist banks in the provision of services, and improve customer experience and financial performance, such as profitable growth and economic value-adds, through digital banking</p>	
<p>Shin, J. W. (2021). Mediating effect of satisfaction in the relationship between customer experience and intention to reuse digital banks in</p>	<p>how customer experience of digital banking, including usefulness, convenience, employee-customer</p>	<p>Quantitative</p>	<p>The four customer experience variables positively influenced reuse intention</p>		<p>These findings add to understanding of the mechanisms of customer reuse of digital banks, and provide practitioners with meaningful</p>

Korea. <i>Social Behavior and Personality</i> , 49(2), 1-18.	engagement, and security, affected their satisfaction and reuse intention, and how customer satisfaction mediated the relationship between customer experience and reuse intention		through satisfaction.			implications for developing strategies to improve customer and bank management
Lemon, K. N., & Verhoef, P. C. (2016). Understanding customer experience throughout the customer journey. <i>Journal of marketing</i> , 80(6), 69-96.	develop a stronger understanding of customer experience and the customer journey in this era of increasingly complex customer behavior	Qualitative			The topic is dynamic and multidisciplinary, and it requires multiple methods	t is time to strengthen theory, understanding, and knowledge in this critical area of marketing
Bleier, A., Harmeling, C. M., & Palmatier, R. W. (2019). Creating effective online customer experiences. <i>Journal of marketing</i> , 83(2), 98-119.	investigates how 13 unique design elements shape four dimensions of the online customer experience (informativeness, entertainment, social presence, and sensory appeal) and thus influence purchase	Quantitative	Four dimensions of online customer experience (Informativeness, Entertainment, Social presence, Sensory appeal)	Additional research might explore these elements further to determine any circumstances in which they prove effective.  Thus, research could analyze other design elements that might prove	No effects of return policy information or expert endorsement on any experience dimension .  no design element exerts a particularly strong effect on the entertainment dimension	The results thus provide managers with clear strategic guidance on how to build effective web pages.

				<p>especially instrumental in shaping this dimension.</p> <p>investigate how the effects we find translate to mobile environments and whether the same design elements induce similar or different experiences</p>	
<p>Lewis, J and Sauro, Jeff. (2018), “Item Benchmarks for the System Usability Scale”, Vol. 13 No. 3, pp. 158 – 167</p>	<p>develop regression equations that model the relationship between SUS items and overall SUS scores</p>	<p>Quantitative</p>	<p>We expect these models to be of value to usability and user experience practitioners who use the SUS. We do not, however, expect them to be equally valuable</p>	<ul style="list-style-type: none"> <li>• We have analyzed data from a large number of usability studies/surveys, which were in turn composed of many completed SUS questionnaires. Others who have similar large data sets could attempt to replicate our findings.</li> <li>• It would be</li> </ul>	<p>If you have a current benchmark for the SUS, you can use the information in Table 2 to extend that benchmark to one or more SUS items. The table includes benchmark information for an average experience (SUS = 68) and a good experience (SUS = 80). For other experience levels or unusual measurement contexts, you will need to use the regression equations. • The regression equations will</p>

				interesting to see how these item benchmarks are used in practice, so we encourage researchers to study and report this use.		work best for moderate values of SUS (in the grade range of D to A). Avoid using them in association with extremely high or low values of SUS (e.g., 0 or 100) because that is where the computed values will be least accurate. • Don't feel as if you need to set benchmarks for every SUS item. Choose those items that are the most important in your work context. • To ensure that you have achieved a given target, be sure to compute confidence intervals around your observed means. If the target value is outside of the confidence interval and in the desired direction (which is different for the odd and even SUS items), then you have compelling evidence at that level of confidence that you have achieved your goal
Pakurar, M., Haddad, M., Nagy, J., Popp, J. & Olah, J. (2019). The Service Quality Dimensions that	examine service quality dimensions, by using the modified SERVQUAL model, which can be used to	Quantitative	The modified SERVQUAL Model extracted four subscales in the new model instead of	SERVQUAL model be modified to the area where it is used.	The timeframe and location of data collection	Further studies should consider the dimensions of access, financial aspect, and employee competences as

<p>Affect Customer Satisfaction in the Jordanian Banking Sector. Sustainability.</p>	<p>measure customer satisfaction, and the effect of these dimensions (tangibles, responsiveness, empathy, assurance, reliability, access, financial aspect, and employee competences) on customer satisfaction in Jordanian banks.</p>		<p>eight in the initial model. The first subscale contains four dimensions—assurance, reliability, access and employee competences. The second subscale consists of two dimensions—responsiveness and empathy. The third and fourth subscales—financial aspect and tangibility—are separate factors</p>	<p>The usual factors to quantify service quality cannot be used in every sector; therefore, it is advisable to apply it critically and amend it if necessary. With this amendment, to obtain a proper model, the number of questions and factors may decrease. For future usage, we recommend introducing a new factor—financial aspect—to improve the measurement of customer satisfaction in banks. As a result of the research conducted in the</p>	<p>and consequently, the generalizability and applicability of the results. Service processes change over time, so the quality and features of the service can be better understood through long-term data collection and analysis. Similarly, research is also limited geographically, as the subject of research is restricted to Jordanian banks and the results can be used only to some extent in other countries.</p>	<p>essential parts of service quality dimensions with the other subscales, so as to improve wider customer satisfaction in the banking sector</p>
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				Jordanian banking sector, we recommend evaluating the relationship between service quality factors and customer satisfaction .		
Alnaser, F., Ghani, M., Rahi, S., Mansour, M., & Abed, H. (2017). Determinants of customer loyalty: The role of service quality, customer satisfaction and bank image of Islamic banks in Palestine. <i>Int J Econ Manag Sci</i> , 6(461), 2.	determine the role of service quality, customer satisfaction and bank image on customer loyalty and recommendation of the Islamic banks in Palestine	Quantitative	there is a positive relationship between customer satisfaction and bank image, which has a positive influence on customer loyalty	Various studies have recommended that customer satisfaction has a direct impact on bank image, which ultimately affects customer loyalty and recommendation [13]. A customer will form a certain perception of the bank that serves him or her based on the quality of the services that are provided to him or her [14]. The	There are various limitations that were identified in this study. The first one is that, in this study it focused on a specific type of banking - Islamic banking. Therefore, caution needs to be taken when one attempts to make generalizations in both the banking and professional service industry. There is	it would be best if such a study is conducted in different countries in order for the findings to be generalized

				<p>perception will be based on either experience or how a customer thinks he or she should be treated when being served by a bank. Customer satisfaction is normally experienced when the quality of the services that are offered meet or exceed the expectations of the customers [15]. It means that he or she will have a positive perception of the bank, and it will influence him or her to develop a sense of customer loyalty towards that bank. Over time he or she may</p>	<p>the need to conduct further research in relation to other professional service sectors such as commercial banking, tourism, and insurance. The other limitation was that the homogeneity of the study participants. Most of the bank customers in the West Bank region are believed to be from a similar background and culture and this may have had an impact on the results of this study. There is the need</p>	
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				recommend the bank to his or her friends.	to conduct a study in a heterogeneous region where the participants have potential differences, factors and this may affect the customer reactions towards various products.	
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## 2.4 Research Gap

The researcher has benefited from the previous studies in designing the research and building the research tool, the questionnaire. The questionnaire of this study was built and developed depending on dimensions, scales, and items from previous studies. The difference of this study compared to the other studies is the relationship that were designed between the variables, it's the first study that analyzes the relationship between the digital customer experience and the service quality, taking into consideration the customer involvement as a mediating variable. Moreover, this study has built new scales to measure the three variables by combining dimensions from different scales. For example, the dimensions of the digital customer experience were extracted from four previous scales, and were combined together to create a scale for the digital customer experience.

The field of this study is the banks that work in Palestine, either local Palestinian banks or foreigners. And the targeted sample is the customers of these banks in West bank and Gaza.

## **Chapter Three**

### **Methodology**

In this chapter, the thesis outlines and discusses the research design, data collection process, primary and secondary data, research instrument (Questionnaire design and the questionnaire steps), questionnaire validity and reliability, thesis conceptual model, population of the thesis, sample size, and method of data analysis.

#### **3.1 Research Design**

Research design in any thesis is conducted to guard against possible chances of failure. This implies that the different components of the research are integrated in a coherent and logical manner, thereby, effectively addressing the research problem. In other words, research design is a self-regarding and correction tool made through the conduct of enquiry which leads to improvement and perfection of an integral part of every research effort.

This quantitative research is designed to examine the mediating role of the customer involvement in the effect of the digital customer experience on the banking service quality in Palestine. The research uses a survey that covers a non – random (Convenience) sample of the Palestinian banking customers.

The research was developed to test the adoption of the digital customer experience and service quality in a manner where the respondents can easily express their feelings and thinking about each element of digital customer experience, service quality, and customer involvement, and to describe how it affected their experience in the Palestinian banking sector.

### 3.2 Data Collection

This research involved two data collection sources represented in primary sources and secondary sources.

- **Primary Source:** A questionnaire was administered and it represented the main source of data used in this research. Questionnaires provide easy and economical way of accumulating pure data especially when covering large sample sizes (Foddy, 1993).  
Based on the study objectives, the questionnaire is prepared to examine the mediating role of the customer involvement in the effect of the digital customer experience on the banking service quality in Palestine.
- **Secondary Source:** It's the already existing data that can come from grey literature such as journals, research papers, articles, theses, dissertations, etc.

### 3.3 Study Instrument

The researcher used the following method for this thesis:

#### **Questionnaire Design:**

The thesis questionnaire is designed in four sections; section one contains general and demographic information about the respondents which has seven variables: Gender, Age, Education, Years of dealing with the bank, Job, Income level, and the Nationality of the bank. Section two is "Digital Customer Experience", this section contains seven sub – sections: 1) Informative Experience, which consists of three items, 2) Entertaining Experience which consists of three items too, 3) Social Presence Experience which consists of three items, 4) Sensory Appeal Experience and it contains four items, 5) Convenience and it contains four items, 6) Perceived Risk which consists of six items, 7) and Perceived Usability which contains nine items. Section three is "Service Quality", and it consists of five sub - section: 1) Reliability which consists of five items, 2) Tangibility and it consists of four items, 3) Responsiveness

which consists of three items, 4) Assurance which consists of four items, 5) and Empathy which consists of six items. Section four is “Customer Involvement” and it consists of four items. Items from section two to section four is fifty-nine. The questionnaire is a five Likert scale questionnaire, except the first section.

**The questionnaire steps:** In order to build an administered scale, the researcher used different scales for the three dimensions in the questionnaire, each scale in the tables below contains the main items used in this thesis.

**Table (4): Informative Experience Scale**

Variable	Dimension	Scale	Source
Digital Customer Experience	Informative Experience	The information that is available in the bank digital channels is useful	Bleier, Harmeling & Palmatier, (2019) CA: .89
		I feel that the bank digital channels provide me with all the information I need	Bleier, Harmeling, & Palmatier, (2019) CA: CA: .89
		The available information on the bank digital channels helps me find what I’m looking for	Bleier, Harmeling & Palmatier, (2019) CA: CA: .89

**Table (5): Entertaining Experience Scale**

Variable	Dimension	Scale	Source
Digital Customer Experience	Entertaining Experience	The bank digital channels are funny	Bleier, Harmeling & Palmatier (2019) CA: .93
		The bank digital channels are enjoyable	Bleier, Harmeling, Palmatier, (2019) CA: .93
		The banking digital channels are very entertaining	Bleier, Harmeling & Palmatier, (2019) CA: .93

**Table (6): Social Presence Scale**

Variable	Dimension	Scale	Source
Digital Customer Experience	Social Presence Experience	There is a sense of human contact in the bank digital channels	Bleier, Harmeling & Palmatier, (2019) CA: .95
		There is a sense of human warmth in the bank digital channels	Bleier, Harmeling & Palmatier, (2019) CA: .95
		There is a sense of human sensitivity in the bank digital channels	Bleier, Harmeling & Palmatier, (2019) CA: .95

**Table (7): Sensory Appeal Scale**

Variable	Dimension	Scale	Source
Digital Customer Experience	Sensory appeal experience	I think the product presentation on the bank digital channels is lively	Bleier, Harmeling & Palmatier, (2019) CA: .85
		I can acquire product information on the bank digital channels from different sensory channels	Bleier, Harmeling & Palmatier (2019) CA: .85
		The bank digital channels contain product information exciting to senses	Bleier, Harmeling & Palmatier (2019) CA: .85

**Table (8): Convenience Scale**

Variable	Dimension	Scale	Source
Digital Customer Experience	Convenience	I can access the bank digital channels easily	Jiang, Yung, & Jun, (2013)
		It is easy to search for the bank digital channels	
		My evaluation about the bank digital channels is excellent	
		It's easy to sign up for the bank digital channels	

**Table (9): Perceived Risk Scale**

<b>Variable</b>	<b>Dimension</b>	<b>Scale</b>	<b>Source</b>
Digital Customer Experience	Perceived Risk	The performance of the bank digital channels is as I expected	Almousa (2011) Alpha: .852
		I feel safe financially when using the bank digital channels	Almousa (2011) Alpha: .797
		The local social norms support using the bank digital channels	Almousa (2011) Alpha: .924
		I expect to waste time when I have to repair or reuse the bank digital channels if there is a failure in the first attempt	Almousa (2011) Alpha: .733
		The bank digital channels are used successfully as I expected	Almousa (2011) Alpha: .862
		I feel that I lose privacy when I use the bank digital channels	Almousa (2011) Alpha: .805

**Table (10): Perceived Usability Scale**

Variable	Dimension	Scale	Source
Digital Customer Experience	Perceived Usability	I think that I would like to use the bank digital channels frequently	Lewis & Sauro (2018)
		I didn't find the bank digital channels complex	
		I thought the bank digital channels was easy to use	
		I think that I would need a support of a technical person to be able to use the bank digital channels	
		I found the various functions in the bank digital channels were well integrated	
		I thought there was too much inconsistency in the bank digital channels	
		I would imagine that most people would learn to use the bank digital channels very quickly	

		I felt very confident using the bank digital channels	
		I needed to learn a lot of things before I could get going with the bank digital channels	

**Table (11): Service Quality Dimensions and Scales**

Variable	Dimension	Scale	Source
Service Quality	Reliability	When the bank promises to do something by a certain time, it do so	Yarimoglu, 2014
		The bank is dependable	
		The bank provides its services as its promised to be done	
		The bank keeps its records accurately	
		The bank is expected to tell customers exactly when services will be performed	
	Tangibility	The bank has up-to-date equipment	
		The physical facilities are visually appealing	
		The employees are well dressed and appear neat	
The appearance of the physical facilities of the bank is in keeping with the types of services provided			

	Responsiveness	<p>It's realistic for customers to expect prompt service from employees of the bank</p> <p>The bank employees always have to be willing to help customers</p> <p>It is okay if the bank employees are too busy to respond to customer requests promptly</p>	
	Assurance	<p>Customers are able to trust the employees of the bank</p> <p>Customers feel safe in their transactions with the bank's employees</p> <p>The bank's employees are polite</p> <p>The employees get adequate support from the bank to do their jobs well</p>	
	Empathy	<p>When customers have problems, the bank is sympathetic and reassuring</p>	
		<p>Employees of the bank give customers personal attention</p> <p>It's realistic to expect employees to know what the needs of their customers are</p> <p>It's realistic to expect the bank to have its own customers' best interests at heart</p> <p>Bank employees shouldn't be expected to have operating hours convenient to all their customers</p>	

**Table (12): Customer Involvement Dimensions**

<b>Variable</b>	<b>Dimensions</b>	<b>Source</b>
Customer Involvement	My banking transaction with this bank is very important to me	Zaichawsky (1985)
	My banking activity with this bank is continually of interest to me	
	My banking activity with this bank has a great concern with me	
	I am highly involved in reading information about banking services	

### **3.3 Validity and Reliability of the Questionnaire**

#### **3.4.1 Validity of the Questionnaire**

The questionnaire passed through many steps before distributing the final version to the targeted respondents. The questionnaire was sent to five evaluators (See appendix 3) and to the researcher's supervisor to evaluate each dimension and its consistency with the main objectives of the thesis.

The content validity of this instrument for the current thesis was ensured. Digital customer experience, Service Quality, and Customer involvement are identified from the previous literature and were reviewed by five evaluators and the researcher's supervisor who participated in testing this instrument. All evaluators agreed that the dimensions and items in this questionnaire will achieve the main research objectives.

### 3.4.2 Reliability of the Questionnaire

Pretesting the questionnaire is considered important based on the earlier observations to pilot study to test the questionnaire and ensure its reliability. The minimum number of questionnaires in pilot should be above (10) questionnaires (Fink, 2013). This thesis was pretested using a sample of banks customers. The questionnaires were tested for content forms and construct of reliability to ensure the conformity with relevant guidelines, as well as to ensure the validity of the research instrument (MacKenzi, 2003).

The current thesis used Cronbach's Alpha test to calculate the reliability score, it was used for the instrument before and after the main survey. The test used in this thesis was executed by distributing 30 questionnaires to a sample that share the same characteristics with the target customers in terms of dealing with banks. The thesis questionnaires that were distributed were discussed by the researcher with the respondents.

Clarifications were given to respondents in the target places before answering the questionnaires. As a result, all participants were prepared and able to answer the questionnaire easily. This was internationally implemented to achieve the meaning of data reliability. The acceptable Alpha value that meets the statistical requirement for the instrument to be characterized as reliable should be equal or above 0.70 according to Tavakol (2011). The reliability of this questionnaire was testing as the following: It was compared to the suggested (0.7) thresholds. The researcher examined the result of insignificant factor loadings and low factor loadings. It can be seen that (see table11) the P-values are all less than 0.01, suggesting that all remaining factor loading are significant. In addition, based on the threshold suggested by Bagozzi, Yi, & Philips (1991) that is (0.7) and (0.5) respectively for the values of reliability and mean of item variance, the result of each construct is shown above its own threshold, which implies that the reliability and convergent validity are acceptable. Therefore, the measurement model is proved to be adequate, as shown in table (13):

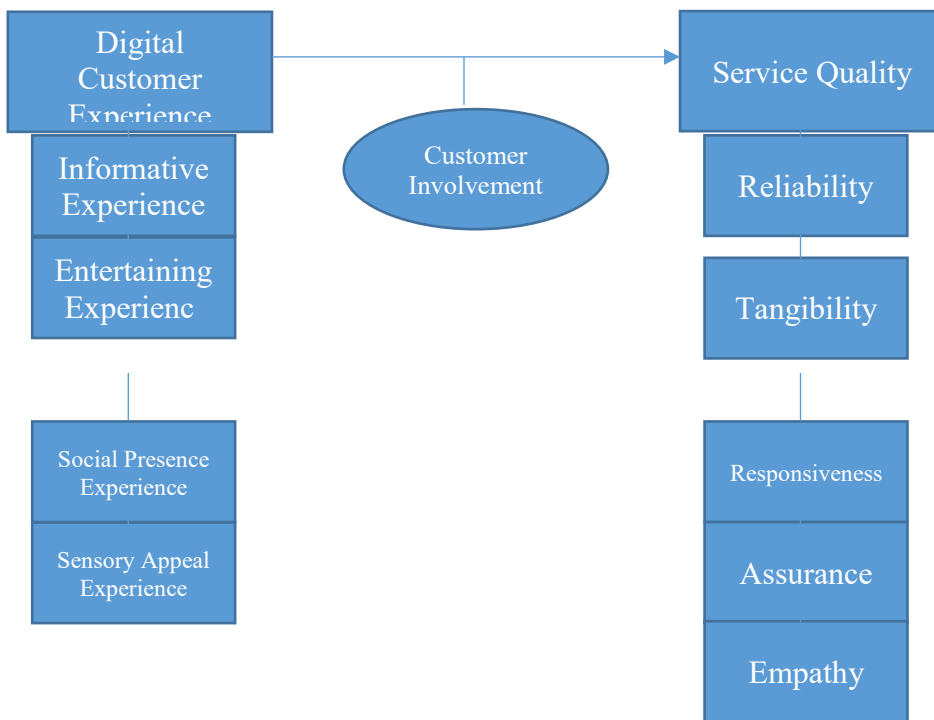
**Table (13): Cronbach's Alpha Value of Each Variable**

<b>Dimensions</b>	<b>No. of Items</b>	<b>Reliability</b>	<b>Result</b>
Informative Experience	3	0.824	Pass
Entertaining Experience	3	0.881	Pass
Social Presence Experience	3	0.830	Pass
Sensory Appeal Experience	3	0.658	Pass
Convenience	4	0.887	Pass
Perceived Risk	6	0.829	Pass
Perceived Usability	9	0.714	Pass
<b>Digital Customer Experience</b>	<b>31</b>	<b>0.943</b>	<b>Pass</b>
Reliability	5	0.849	Pass
Tangibility	4	0.831	Pass
Responsiveness	3	0.676	Pass
Assurance	4	0.784	Pass
Empathy	5	0.794	Pass
<b>Service Quality</b>	<b>21</b>	<b>0.916</b>	<b>Pass</b>
<b>Customer Involvement</b>	<b>4</b>	<b>0.864</b>	<b>Pass</b>

As shown in table (11), the validity of the questionnaires was examined by coefficients correlation and the results for all dimensions were above (0.5). Also, the reliability of the instruments was tested by using Cronbach's Alpha coefficient and the result was found to be more than (0.7), the Cronbach's Alpha coefficient for all dimensions' scale was (0.96).

### **3.5 Conceptual Model**

The overall objective of this thesis is to find out the mediating role of the customer involvement in the impact of the digital customer experience on the banking service quality in Palestine. The conceptual framework for this thesis is developed from the literature review chapter of this thesis and from questionnaire scale in addition to previous studies. Therefore, the conceptual framework was set to guide the thesis as shown in figure (1) below.



**Figure (9) Conceptual Framework**

### 3.6 Population of Study

Target population is a collection of all the possible subjects, observations, elements or with one or more that attributes in common. It represents a specific part of the real world with common definite and specific characteristics relating to a particular event. The population of this study is the customers of the banks in Palestine, and the target population is 1,235,000 customers. (PMA, 2019)

### 3.7 Sample of Study

The study sample was based on non – random (Convenience) sample selection. The minimum sample size for this study is (384) observations. The sample size for this thesis was identified according to the following equation (Krejcie and Morgan, 1970):

### 3.8 The Minimum Sample Size

$$(n) = p\% \times q\% \times [z/e\%]^2$$

**Where:**

n: The minimum sample size required

p%: The proportion belonging to the specified category

q%: the proportion not belonging to the specified category

z: The z value corresponding to the level of confidence required

e%: The margin of error required

**The adjusted sample size n is calculated as:**

$$n \div \{1 + [n/N]\}$$

**Where:**

n: the minimum sample size

N: the total population

The minimum sample =  $50\% \times 50\% \times [1.96/5\%]^2$

= 384.16

The adjusted minimum sample size =  $384.16 \div \{1 + [384.16/1,960]\}$

**Sample size = 322 observations**

Choosing a study sample is an important step in any research because its not practical to study the whole population due to many constraints. The size of the sample is enough to achieve its aim and its retrieved from the customers of the banks in Palestine.

A total of (420) questionnaires were distributed to respondents. A total of (399) respondents out of the original (420) were received, (21) questionnaire were discarded due to corruption in data, and so (399) questionnaire were adopted for the analysis. The response rate was (95 %).

### **3.9 Method of Data Analysis**

The data was analyzed by using the Statistical Package for Social Sciences (SPSS) version (23). The data was checked for entry errors. In this study, the researcher used frequency to describe the demographic variable, mean and standard deviation to answer the research question, Independent T test, One-Way ANOVA, and Person correlations to test hypothesis, SEM regression to test the significance impact of the digital customer experience on the service quality in the banking system, and the mediating role of customer involvement.

## Chapter Four

### Analysis of Data

#### 4.1 Data Analysis and Discussions

In order to achieve the main aim of the thesis, a cross sectional thesis was utilized. The sample size was (399) participants with 95% respondent rate. Data was collected by using Five-Likert scale.

**This chapter presents the findings of the current study as the following:**

- Participant Profile
- Research Questions
- Testing Hypothesis

#### 4.2 Respondents Profile

Table (14) below contains the data of the respondents' sample, in terms of gender, age, qualifications, and type of subscription system respectively.

**Table (14): Demographic Variables of Study**

Demographic Variables	Sample size (n=399)	
	Frequency	Percentage
<b>Gender</b>		
Male	219	54.9
Female	180	45.1
<b>Age</b>		
Less than 30	109	27.3
30-40	164	41.1
41-50	86	21.6
More than 50	40	10.0

<b>Bank Nationality</b>		
Local	217	54.4
Foreigner	182	45.6
<b>Education</b>		
High School	10	2.5
Diploma	28	7.0
Bachelor	230	57.7
Postgraduate Studies	131	32.8
<b>Job</b>		
Businessman	48	12.0
Public Sector	59	14.8
Private Sector	252	63.2
Retired	6	1.5
Others	34	8.5
<b>Dealing with Bank</b>		
Less than 1 year	12	3.0
1-5	82	20.6
5 - 10	103	25.8
10 - 15	83	20.8
More than 15 years	119	29.8
<b>Income</b>		
Less than 2000	39	9.8
2000-3999	148	37.1
4000-5999	94	23.6
More than 6000	117	29.3

As shown in the table (13), out of total (399) respondents:

The weight between the Male and Female is (45.1:54.9) which is quite even.

As for the age of the respondents, the age segment (30 – 40) years old covers the highest weight, which forms 41.1% of the respondents; while the category of (more than 50) was the lowest with only 10% of the respondents. The second largest group is the group (Less than 30) which

consists of 27.3% of the participants. Then, the segment of (41 – 50) years old comes in the third place and it consists of 21.6% of the respondents. Given these information, it could be considered that the average age of the banks customers in Palestine is between 30 – 40 years old, who are the young middle-aged people. This can provide us with a pessimistic indicator related to the digital customer experience, because this segment is the closest to the technology and digital tools in terms of ease of use, and the likelihood to depend on these tools in banking transactions.

Regarding the nationality of the bank the respondents are dealing with, results show that 54.4% are dealing with local Palestinian banks, and the remaining respondents are dealing with foreigner banks which forms 45.6% of the respondents.

Respondents were also asked about their education qualifications. The result shows that 2.5% of them got a high school education only, and 7% had a diploma degree. The largest percentage of the respondents are having a Bachelor, and they are 57.7% of the total participants. And the remaining respondents who are 32.8% of the sample are postgraduates. This result indicates that most of the banks customers are educated with a minimum of Bachelor degree, which is a positive indicator regarding the willingness to use the digital channels.

As for the respondents' job and occupation, the results show that most of the sample are private sector employees forming 63.2% of the sample, while the public sector employees made 14.8% of the sample. 12% of the respondents have their own businesses, and 1.5% are retired, and the remaining respondents who are 8.5% of the sample are working in other fields.

The questionnaire also asked customers about the number of years of dealing with their banks. Most of the respondents (29.8%) stated that they are dealing with their banks since more than 15 years, logically, its normal because the largest percentage of the customers those who are between 30-40 years old. And the second largest group was those who have been dealing with their banks since 5 – 10 years, and they are 25.8% of the sample. On the other hand, the two

groups who have been dealing with their bank since 10 - 15 years and 1 – 5 years formed almost the same percentage of the respondents (20.8% and 20.6% respectively). Finally, 3% of the sample have been dealing with their banks for less than 1 year.

Finally, the questionnaire classified banks customers according to their monthly average income, and the result showed that the largest segment was those who earn between 2,000 NIS and 3,999 NIS monthly, and they are 37.1% of the total sample. Moreover, the second largest group was the customers who's their monthly income is above 6,000 NIS and their percentage is 29.3%. On the other hand, 23.6% of the respondents said that their income is between 4000 NIS and 5999 NIS, and the remaining respondents who are 9.8% stated that they get less than 2,000 NIS monthly.

### 4.3 Research Questions

Based on the research questions, this section aims to answer the research questions, which show the mediating role of the customer involvement in the impact of digital customer experience on the banking service quality in Palestine

To judge the level of items on the Likert scale, the research considered that if the mean of the item (1-2.33) then the level is low, (2.34-3.66) moderate, but for high level item, the mean will be (3.67-5.00). (See table 5), (Iriqat, 2019).

**Table (15) Submitted Data Analysis Procedures for Likert Scale Data**

<b>Degree</b>	<b>Range</b>
High	5-3.67
Moderate	3.66-2.34
Low	2.33-1

**Source: (Iriqat, 2019)**

To answer the study question: “What is the level of digital customer experience in the Palestinian banking industry?”

**Table (16): Mean and Standard Deviation of Digital Customer Experience Dimension**

Items	Mean	S.D	Degree	Rank
<b>B1.1</b> The available information in the bank digital channels is useful	4.04	.756	High	1
<b>B1.2</b> I feel that the bank digital channels provide me with all the information I need	3.74	.886	High	3
<b>B1.3</b> The available information on the bank digital channels helps me find what I’m looking for	3.77	.838	High	2
<b>Informative Experience</b>	<b>3.8480</b>	<b>.71261</b>	<b>High</b>	
<b>B2.1</b> The bank digital channels are funny	3.65	1.004	Moderate	1
<b>B2.2</b> The bank digital channels are enjoyable	3.47	.994	Moderate	2
<b>B2.3</b> The banking digital channels are very entertaining	3.12	.986	Moderate	3
<b>Entertaining Experience</b>	<b>3.4094</b>	<b>.89390</b>	<b>Moderate</b>	
<b>B3.1</b> There is a sense of human contact in the bank digital channels	3.14	1.063	Moderate	1
<b>B3.2</b> There is a sense of human warmth in the bank digital channels	2.91	1.033	Moderate	3
<b>B3.3</b> There is a sense of human sensitivity in the bank digital channels	2.92	.993	Moderate	2
<b>Social Presence Experience</b>	<b>2.9899</b>	<b>.89027</b>	<b>Moderate</b>	
<b>B4.1</b> I think the product presentation on the bank digital channels is lively	3.63	.850	Moderate	2
<b>B4.2</b> I can acquire product information on the bank digital channels from different sensory channels	3.94	.801	High	1
<b>B4.3</b> The bank digital channels contain product information exciting to senses	3.51	.924	Moderate	3

<b>Sensory Appeal Experience</b>	<b>3.6909</b>	<b>.66265</b>	<b>High</b>	
<b>B5.1</b> I can access the bank digital channels easily	3.80	.986	High	1
<b>B5.2</b> It is easy to search for the bank digital channels	3.80	.956	High	2
<b>B5.3</b> My evaluation about the bank digital channels is excellent	3.72	.944	High	3
<b>B5.4</b> It's easy to sign up for the bank digital channels	3.62	1.032	Moderate	4
<b>Convenience</b>	<b>3.7343</b>	<b>.84709</b>	<b>High</b>	
<b>B6.1</b> The performance of the bank digital channels is as I expected	3.50	.937	Moderate	4
<b>B6.2</b> I feel safe financially when using the bank digital channels	3.66	1.000	Moderate	2
<b>B6.3</b> The local social norms support using the bank digital channels	3.29	1.008	Moderate	5
<b>B6.4</b> I expect to waste time when I have to repair or reuse the bank digital channels if there is a failure in the first attempt	3.19	1.141	Moderate	6
<b>B6.5</b> The bank digital channels are used successfully as I expected	3.52	.940	Moderate	3
<b>B6.6</b> I feel that I lose privacy when I use the bank digital channels	3.72	.965	High	1
<b>Perceived Risk</b>	<b>3.4795</b>	<b>.73446</b>	<b>Moderate</b>	
<b>B7.1</b> I think that I would like to use the bank digital channels frequently	3.94	.923	High	2
<b>B7.2</b> I didn't find the bank digital channels complex	3.70	.967	High	5
<b>B7.3</b> I thought the bank digital channels was easy to use	3.76	.894	High	4
<b>B7.4</b> I think that I would need a support of a technical person to be able to use the bank digital channels	2.80	1.101	Moderate	9

<b>B7.5</b> I found the various functions in the bank digital channels were well integrated	3.70	.745	High	6
<b>B7.6</b> I thought there was too much inconsistency in the bank digital channels	3.63	.823	Moderate	7
<b>B7.7</b> I would imagine that most people would learn to use the bank digital channels very quickly	3.95	.759	High	1
<b>B7.8</b> I felt very confident using the bank digital channels	3.80	.829	High	3
<b>B7.9</b> I needed to learn a lot of things before I could get going with the bank digital channels	2.87	1.114	Moderate	8
<b>Perceived Usability</b>	<b>3.5737</b>	<b>.50435</b>	<b>Moderate</b>	
<b>Digital Customer Experience</b>	<b>3.5442</b>	<b>.57435</b>	<b>Moderate</b>	

As shown in table (16), the “**Digital Customer Experience**” dimensions have a moderate degree with a low deviation. That means that there is not a high level of the digital customer experience in the Palestinian banking sector ( $M = 3.5442$ ,  $SD = .57435$ ). This case don’t achieve the result of Rose, Hair, Clark (2011), in which they find in their research that the successful online customer experience will lead to high customer satisfaction and an intention to re-purchase from the same website.

The degree of the first Dimension in the banking digital customer experience which is the “**Informative Experience**” is high and the deviation is low ( $M = 3.8480$ ,  $SD = .71261$ ). According to the respondents’ answers, the most important item for the customers in the “Informative Experience” dimension is the first one which is “*The information that is available in the bank digital channels is useful*” with a high degree and low deviation ( $M = 4.04$ ,  $SD = .756$ ). On the other hand, the second important item in this dimension is the third sentence which is “*The available information on the bank digital channels helps me find what I’m looking for*”, it has a high degree and a low deviation ( $M = 3.77$ ,  $SD = .838$ ). The third

important sentence of this dimension is the second one which says *“I feel that the bank digital channels provide me with all the information I need”*, with a high degree and a low deviation ( $M = 3.74, SD = .886$ ).

These results show that the informative goal of the banking digital channels in Palestine is sufficient. It means that these channels are satisfying the customers in terms of the availability of the information, the usefulness of the available information, and shows that these information answer and satisfy the customers questions and inquiries. Also, this analysis indicates that the availability of the information on the digital channels of the banks is important for customers and they really want to benefit from this feature.

From the researcher point of view, I do believe that this feature is very useful and effective. The availability of the information in the digital channels satisfies the customers without having to make an effort to visit the bank and wait in lines, and deal with employees. Moreover, it decreases the footfall in the bank branches, which decreases the need for hiring employees, using technologies, and repairing branches frequently, which decreases costs.

The **“Entertaining Experience”** which is the second dimension of the customer experience achieved a moderate degree and low deviation ( $M = 3.4094, SD = .89390$ ). The customers selected the first sentence *“The bank digital channels are funny”* as the most important, and it got a moderate degree and a high deviation ( $M = 3.65, SD = 1.004$ ), while the second sentence in importance was the second item in the dimension which is *“The bank digital channels are enjoyable”* with a moderate degree and a low deviation ( $M = 3.47, SD = .994$ ). The third item was the third ranked sentence which is *“The banking digital channels are very entertaining”* with a moderate degree and a low deviation ( $M = 3.12, SD = .986$ ). The moderate degree of this dimension reflects to the low entertainment that is felt by the customers when using the digital channels in Palestine.

When customers find that these channels are not giving them a kind of a good feeling, they will not be using them frequently, and maybe they could avoid using them except if they had to. On the other hand, supporting these channels with some features of joy, entertainment, and fun will lead to higher rates and longer time of usage, which could provide opportunities for cross selling, and its absolutely decreases the branches visits and effort provided by the customers as what was explained before.

The third dimension is the “**Social Presence Experience**”, which had a moderate degree and a low deviation ( $M = 2.9899$ ,  $SD = .89027$ ). This dimension consists of three items. The most important item according to the customers answers was the first sentence which is “*There is a sense of human contact in the bank digital channels*”, it had a moderate degree and a high deviation ( $M = 3.14$ ,  $SD = 1.063$ ), the second important item was the third sentence which says “*There is a sense of human sensitivity in the bank digital channels*” and it had a moderate degree and a low deviation ( $M = 2.92$ ,  $.993$ ), while the last important item was the second sentence “*There is a sense of human warmth in the bank digital channels*” with a moderate degree and a high deviation ( $M = 2.91$ ,  $SD = 1.033$ ). The moderate degree of this dimension (Social Presence) shows that the banking digital channels are still not developed to the level that allows them to take the place of the physical channels which provide customers with direct contact with the employees like the bank branches. Even that banks has started to provide chat pot and WhatsApp services, but the results show that customers still didn’t feel the human sense they find in the branches. This weakness could decrease the opportunity of the digital channels in Palestine to be the main communication channels between the bank and its customers. Moreover, not providing the sense of human contact, human warmth, and human sensitivity through the digital channels decreases the usage rates and times of these channels which explains why it had a moderate degree as will be shown later. Generally, the Palestinian

society prefer the human contact as its essential in the local culture, and this could be a challenge for the digital channels trend.

The “**Sensory Appeal Experience**” is the fourth dimension of the digital customer experience and it had a high and low deviation degree according the customers answers ( $M = 3.696$ ,  $SD = .66265$ ). This dimension contains three items, two of them had a high degree and one was moderate. The most important item to the customers was the second one “*I can acquire product information on the bank digital channels from different sensory channels*” which had a high degree and low deviation ( $M = 3.94$ ,  $SD = .801$ ). On the other hand, the next important item was chosen by the banking customers is the first one “*I think the product presentation on the bank digital channels is lively*” and its degree was moderate with a low deviation ( $M = 3.63$ ,  $SD = .850$ ). The last important item was the second one which says “*The bank digital channels contain product information exciting to senses*” with a moderate degree and a low deviation ( $M = 3.51$ ,  $SD = .924$ ).

This dimension is about delivering the information through the digital channels using many human senses in a lively and exciting way, and the research has proved that its some how weak in the Palestinian banks industry. If we want to connect this result with the previous one which proved that there is a weakness in the human sense that is delivered through the digital channels, we can logically explain the result of the sensory appeal dimension. Because applying the sensory appeal dimension will necessary create a human feeling for the customer, how? Displaying the information in an attractive and exciting way through different sensory channels makes an interaction with the customers’ feelings and emotions, and satisfies the human sensory contact needs that is delivered by the branches.

The fifth dimension of the Digital Customer Experience is the “**Convenience**”, this dimension which consists of four items had a high degree and a low deviation ( $M = 3.7343$ ,  $.84709$ ). The most important item in this dimension was the first sentence which is “*I can access the bank*

*digital channels easily*”, it had a high degree and a low deviation ( $M = 3.80$ ,  $SD = .986$ ), while the second ranking was the second sentence which says “*It is easy to search for the bank digital channels*” with a high degree and a low deviation ( $M = 3.80$ ,  $SD = .956$ ). On the other hand, the third important item was the third sentence which says “*My evaluation about the bank digital channels is excellent*” with a high degree ( $M = 3.72$ ,  $SD = .499$ ). Finally, the fourth ranking sentence was the fourth item of this dimension which is “*It’s easy to sign up for the bank digital channels*” with a moderate degree and a high deviation ( $M = 3.62$ ,  $SD = 1.032$ ).

The results of the “Convenience” dimension show that there is a good satisfaction from the customers regarding this part of their digital experience. It seems that searching and accessing the digital channels are comfortable, and they are easy to use. But the moderate degree of the signing up item indicates that the steps customers need to pass through when they create their account for the first time are not easy. Signing up process for the banks digital channels needs many steps of identity verification due to the security restrictions, which makes it not the easiest part of their digital experience.

Regarding the sixth dimension of the digital customer experience which is the “**Perceived Risk**”, the results show a moderate degree and a low deviation ( $M = 3.4795$ ,  $SD = .73446$ ), and the same degree was achieved by all items except the sixth one, which has a high degree and low deviation ( $m = 3,72$ ,  $SD = .965$ ), and it was the most important one. This item is about “Privacy Risk” and it says “*I feel that I lose privacy when I use the bank digital channels*”. The other five items of the perceived risk all had a moderate degree and the results was respectively (according to the importance): “Financial Risk: *I feel safe financially when using the bank digital channels*” ( $M = 3.66$ ,  $SD = 1.00$ ), “Psychological Risk: *The bank digital channels are used successfully as I expected*” ( $M = 3.52$ ,  $SD = .940$ ), “Performance Risk: *The performance of the bank digital channels is as I expected*: ( $M = 3.50$ ,  $SD = .937$ ), “Social Risk: *The local social norms support using bank digital channels*” ( $M = 3.29$ ,  $SD = 1.008$ ), and “Time Risk: *I*

*expect to waste time when I have to repair or reuse the bank digital channels if there is a failure in the first attempt” (M = 3.19, SD = 1.141).*

The risk factor is highly considered by the customers while doing the digital banking transactions. Moreover, its an effective negative influence that could prevent customers from completing their digital banking transactions. The results about the perceived risk dimension show that this factor really affects the peoples’ decision to use the bank digital channels due to financial, privacy, social, physiological, performance, and time considerations. Maybe the less risky item for the customers is the “Privacy Risk” as shown above because of the high banking security restrictions in Palestine, but its still close to be a moderate-degree factor.

On the other hand, and despite the high technological development around the world, Palestinian banking customers still have concerns about banking using digital channels, due to their short digital experience in the banking field and the other fields as well. Social Palestinian culture also is very controlling in most of the details of the people’s lives, and the digital banking is one of the new trends in the Palestinian society that could be considered “strange” for some segments and need to be influenced by their social groups like relatives and friends, which explains the moderate degree of the “Social Risk” item. Moreover, the local social norms prefer the direct human contact more that the virtual one, it gives them more reliability and assurance, and make them feel safe. These results fit with Almousa (2011), he mentioned that Usually, customer tend to hear from the surrounded people and social groups about their opinions in the online purchases in order to decrease social risk.

Regarding the moderate degree of the “Time Risk”, customers who tend to banking through digital channels are aware about time and effort saving. So, this kind of risk rises in this case, because the failures that could happen when using these channels would waste their time. So, the digital channels here are a not a facilitating tool.

The “Financial Risk” as shown in the results had a moderate degree, which means that Palestinian customers still don’t trust banking through digital channels. This could be linked to the previous results of the other types of risk. For example, social norms could influence the financial risk through the opinion of the social groups regarding this method.

“Performance Risk” is also moderate as evaluated by customers. The reason behind that is the overall experience in the banking sector and other sectors where people always find technical problems and bugs. This result leads to the moderate degree of the “Time Risk”, which about losing time due to the bad performance of the digital channels, according to the digital experience in the banks in Palestine.

The seventh and last dimension of the digital customer experience in Palestine is the “**Perceived Usability**”, it had a moderate degree and a low deviation ( $M = 3.5737$ ,  $SD = .50435$ ). This dimension consists of nine items most of them got high degree. The most important item for the customers was the seventh sentence which is “*I would imagine that most people would learn to use the bank digital channels very quickly*”, it had a high degree and a low deviation ( $M = 3.95$ ,  $SD = .759$ ). While the second important item was the first sentence which is “*I think that I would like to use the bank digital channels frequently*” with a high degree and a low deviation ( $M = 3.94$ ,  $SD = .923$ ). On the other hand, the third important item to the customers was the eighth one which says “*I felt very confident using the bank digital channels*” with a high degree and low deviation ( $M = 3.80$ ,  $SD = .829$ ). The third item of this dimension was the fourth important one for the customers which is “*I thought the bank digital channels was easy to use*”, and it got a high and low deviation ( $M = 3.76$ ,  $SD = .894$ ). Moreover, the fifth ranking item in terms of importance was the second one which is “*I found the bank digital channels unnecessarily complex*” with a high degree and high deviation ( $M = 3.70$ ,  $SD = .967$ ). In addition, the sixth item in importance was the fifth one which is “*I found the various functions in the bank digital channels were well integrated*” with a high degree and a low

deviation ( $M = 3.70$ ,  $SD = .745$ ), and the seventh one in importance was the sixth item *“I thought there was too much inconsistency in the bank digital channels”* with a moderate degree and low variance ( $M = 3.63$ ,  $SD = .823$ ). The eighth important item was the last one *“I needed to learn a lot of things before I could get going with the bank digital channels”* and it took a moderate degree with a high deviation ( $M = 2.87$ ,  $SD = 1.114$ ). Finally, the least important item in this dimension was the fourth statement which says *“I think that I would need a support of a technical person to be able to use the bank digital channels”* with a moderate degree and high variance ( $M = 2.80$ ,  $SD = 1.101$ ).

The results of the “Perceived Usability” dimension indicates that the experience in using the banking digital channels by the customers is not the best. Despite that, they do want to use the digital channels frequently as shown in sentence number (1). That means that the customers of the Palestinian banks still have a willingness to adopt this way and use it every time. Moreover, sentences number (2) and (3) emphasized the same result when customers confirmed that the digital channels were easy and not complex to use. But despite the previous results, a high percentage of the customers mentioned that they needed a help from a specialist to use the bank digital channels regarding sentence number (4). From the researcher point of view, this result shows that the customers need help for the first time using the digital channels, and its obviously fitting with one of the “Convenience” dimension results that indicated that the signing up process is not that easy for the customers, which means that the first time using and signing up to the digital channels needs introduction by the bank, and then things get easier. Moreover, customers confirmed that the functions in the digital channels are well integrated as sentence number (5), which means that if customer made an internal transfer between his accounts using the mobile banking for example, its directly shown in the total amount page. This result confirms the previous result that was shown in the complexity item. The next result about sentence number (6) is about the consistency of the functions of the digital channels,

customers see that this item is not perfectly achieved, and it means that they face some technical problems that don't allow the channel to perform the right way every time they choose it, which emphasizes the performance risk that was mentioned before. The result of sentence number (7) indicates that customers imagine that people can easily learn how to use the digital channels, which also emphasize the previous results about the easiness, complexity, and integration. The eighth result (8) is about the physiological aspect that the channels provides to the customer, its about confidence. Customers in Palestine approved that they feel confident when they use the banking digital channels, and this result confirms the convenience dimension results that were mentioned before. The final result of the perceived usability indicated that the customers didn't need a technical knowledge before using the digital channels, with proves the easiness and convenience. As a conclusion, the results above emphasize the result that says that there is a strong relationship between the ease of use and the positivity of the customer experience, As cited by Rose, Hair & Clark (2011), Chen & Dubinsky (2003); Cheung et al. (2005); Cho & Park (2001).

**To answer the study question: “What is the level of service quality in the Palestinian banking industry?”**

**Table (17): Mean and Standard Deviation of Quality Assurance Dimension**

<b>Items</b>	<b>Mean</b>	<b>S.D</b>	<b>Degree</b>	<b>Rank</b>
<b>C1.1</b> When the bank promises to do something by a certain time, it do so	3.57	.969	Moderate	5
<b>C1.2</b> The bank is dependable	3.78	.892	High	3
<b>C1.3</b> The bank provides its services as its promised to be done	3.67	.936	High	4
<b>C1.4</b> The bank keeps its records accurately	3.99	.767	High	1

<b>C1.5</b> The bank is expected to tell customers exactly when services will be performed	3.79	.915	High	2
<b>Reliability</b>	<b>3.7624</b>	<b>.70937</b>	<b>High</b>	
<b>C2.1</b> The bank has up-to-date equipment	3.87	.847	High	3
<b>C2.2</b> The physical facilities are visually appealing	3.84	.910	High	4
<b>C2.3</b> The employees are well dressed and appear neat	4.09	.733	High	1
<b>C2.4</b> The appearance of the physical facilities of the bank is in keeping with the types of services provided	3.93	.851	High	2
<b>Tangibility</b>	<b>3.9342</b>	<b>.68240</b>	<b>High</b>	
<b>C3.1</b> It's realistic for customers to expect prompt service from employees of the bank	3.97	.881	High	1
<b>C3.2</b> The bank employees always have to be willing to help customers	3.89	.888	High	2
<b>C3.3</b> It is okay if the bank employees are too busy to respond to customer requests promptly	2.93	1.141	Moderate	3
<b>Responsiveness</b>	<b>3.5965</b>	<b>.65191</b>	<b>Moderate</b>	
<b>C4.1</b> Customers are able to trust the employees of the bank	3.80	.895	High	3
<b>C4.2</b> Customers feel safe in their transactions with the bank's employees	3.90	.798	High	2
<b>C4.3</b> The bank's employees are polite	4.12	.723	High	1
<b>C4.4</b> The employees get adequate support from the bank to do their jobs well	3.37	1.031	Moderate	4
<b>Assurance</b>	<b>3.7989</b>	<b>.67724</b>	<b>High</b>	
<b>C5.1</b> When customers have problems, the bank is sympathetic and reassuring	3.35	.993	Moderate	5

<b>C5.2</b> Employees of the bank give customers personal attention	3.61	.991	Moderate	3
<b>C5.3</b> It's realistic to expect employees to know what the needs of their customers are	3.60	1.005	Moderate	4
<b>C5.4</b> It's realistic to expect the bank to have its own customers' best interests at heart	3.70	.964	High	1
<b>C5.5</b> Bank employees shouldn't be expected to have operating hours convenient to all their customers	3.64	.969	Moderate	2
<b>Empathy</b>	<b>3.5779</b>	<b>.72950</b>	<b>Moderate</b>	
<b>Service Quality</b>	<b>3.7345</b>	<b>.55883</b>	<b>High</b>	

As shown in table (17), the "Service Quality" variable which consists of five dimensions got a high degree with low deviation ( $M = 3.7345$ ,  $SD = .55883$ ).

The first dimension which is the "**Reliability**" had a high degree and low deviation ( $M = 3.7624$ ,  $SD = .70937$ ) and all its items was high-degree and law deviation except the first item which was the least important one which is "*When the bank promises to do something by a certain time, it do so*" ( $M = 3.57$ ,  $SD = .969$ ). The importance of the other four items was as the following: This first ranking item was number (4) "*The bank keeps its records accurately*" with a high degree and a low deviation ( $M = 3.99$ ,  $SD = .767$ ), the second important one is the fifth one "*The bank is expected to tell customers exactly when services will be performed*" with a high degree and low deviation ( $M = 3.79$ ,  $SD = .915$ ), the third important item was the second sentence "*The bank is dependable*" with a high degree and a low deviation ( $M = 3.78$ ,  $SD = .892$ ), and the fourth one was the third sentence "*The bank provides its services at the time it promises to do so*" ( $M = 3.67$ ,  $SD = .936$ ).

The results above indicate that the reliability dimension is satisfying for the banks customers in Palestine, except the time issue. Even that its the least important for them as shown, but the Palestinian customers don't confirm that the banks deliver the services in the promised time, which not professional. But they still care more for providing the service as promised without failures or problems. Moreover, customers still expect the bank to provide them with the exact time that the services take before its finished. On the other hand, they believe that the Palestinian banks keeps the records accurately and they still can depend on them.

The second dimension results which is the "Tangibility" show a high degree and low deviation for all its four items ( $M = 3.9342$ ,  $SD = .68240$ ). The first important sentence for respondents was the third one which is "*The employees are well dressed and appear neat*" with a high degree and low deviation ( $M = 4.09$ ,  $SD = .733$ ), while the second important one was the forth one "*The appearance of the physical facilities of the bank is in keeping with the types of services provided*" with a high degree and low deviation ( $M = 3.93$ ,  $SD = .851$ ), the third one was the first item "*The bank has up-to-date equipment*" with a high degree and low deviation ( $M = 3.87$ ,  $SD = .847$ ), and the fourth one in importance was the second item "*The physical facilities are visually appealing*" ( $M = 3.84$ ,  $SD = .910$ ).

The above results show sufficient indicators regarding the tangible side of the financial services in Palestine, and its obvious in the financial costs that banks pay for branches, premises, equipment, uniform, interior, and many other tangible elements.

The "Responsiveness" dimension got a moderate degree with low deviation ( $M = 3.5965$ ,  $SD = .65191$ ). The first item in this dimension is the first important one which is "*It's realistic for customers to expect prompt service from employees of the bank*", this item had a high degree with low deviation ( $M = 3.97$ ,  $SD = .881$ ). The second important item was the second one "*The bank employees always have to be willing to help customers*" with a high degree and low deviation ( $M = 3.89$ ,  $SD = .888$ ). At last, the third important item was the last sentence which

is “*It is okay if the bank employees are too busy to respond to customer requests promptly*” with a moderate degree and low deviation ( $M = 2.93$ ,  $SD = 1.141$ ).

The overall impression of this dimension indicates that the responsiveness rate in the Palestinian banks is not satisfying for their customers. The customers do believe that they should expect a quick service which means that they became more aware about this dimension, even that the quality assurance concept is relatively new in Palestine. Moreover, the customers also know that the bank employees should be always ready to serve them and willing to help them. Furthermore, the third result supports the first two, when it showed that respondents didn't highly approve that the bank employees can be busy and don't provide the promised service and attention. These results should inform banks that the service quality concept is delivered to the customer minds, and they are looking for a high standard excellent service, and they can evaluate the provided service and assess their experience according to this service.

The degree of the fourth dimension result which is “**Assurance**” was high with a low deviation ( $m = 3.7989$ ,  $SD = .67724$ ). The first important item according to the respondents was the third one which is “*The bank's employees are polite*”, this item got a high degree and low deviation ( $M = 4.12$ ,  $SD = .723$ ), while the second important sentence was the second item which is “*Customers feel safe in their transactions with the bank's employees*” with a high degree and low deviation ( $m = 3.90$ ,  $SD = .798$ ). The third important item is the first sentence which is “*Customers are able to trust the employees of the bank*”, it had a high degree with low deviation ( $M = 3.80$ ,  $SD = .895$ ). And the fourth important item was the last one which is “*The employees get adequate support from the bank to do their jobs well*” which had a moderate degree with a high deviation ( $M = 3.37$ ,  $SD = 1.031$ ).

The result of the “Assurance” dimension shows that there is a satisfaction was expressed by the customers regarding most of the assurance items. They are satisfied from the employees' behavior and their politeness. Moreover, Palestinian customers confirmed that they can trust

the bank employees and feel safe when they make transactions through them, which confirms the moderate result of the financial risk that was mentioned before, which was about feeling safe when doing financial transactions through the digital channels. Here we can conclude that the Palestinian customers are still not giving their whole trust to the new trend of banking, and the human sense is very important to feel safe. On the other hand, customers feel that the bank employees don't get the full support from their back office or management to be able provide the best service, which means there is a weakness in this process in the banks and its obviously can be noticed by the customers. Moreover, it could show a weakness in the whole operations side and information flow, because it usually ends with the frontline employees. Its also reflects to the level of understanding of the quality assurance and customer experience concepts by the operations and non-retail departments of the bank, especially that this conflict always happens in the financial services companies, where the business departments look for the best customer experience, and the financial, operations, and support departments look more for the technical and cost issues.

The last dimension “**Empathy**” got a moderate degree with a low deviation ( $M = 3.5779$ ,  $SD = .72950$ ). The first important item of the empathy was the fifth sentence which is “*It's realistic to expect the bank to have its own customers' best interests at heart*”, this item got a high degree with a low deviation ( $M = 3.70$ ,  $SD = .964$ ). While the second important item was the sixth one which is “*Bank employees shouldn't be expected to have operating hours convenient to all their customers*” with a moderate degree and low deviation ( $M = 3.64$ ,  $SD = .969$ ). The third important item was the second one which is “*Employees of the bank are expected to give customers personal attention*”, this dimension got a moderate degree with a low deviation ( $M = 3.61$ ,  $SD = .991$ ). Also, the fourth important item was the fourth sentence which is “*It's realistic to expect employees to know what the needs of their customers are*” with a moderate degree and high deviation ( $M = 3.60$ ,  $SD = 1.005$ ). And finally, the fifth important item was

the first one which is “*When customers have problems, the bank is sympathetic and reassuring*”, this item got a moderate degree and low deviation ( $M = 3.35$ ,  $SD = .993$ ).

The “Empathy” dimension result indicates a moderate assessment by the respondents regarding the Palestinian banks. As what was mentioned before, the Palestinian customers became more aware of the quality assurance and customer experience concepts, and they now know better about the standards that they should look for when they evaluate the services provided to them. For example, customers confirmed that their interests should be a priority for the bank, and that the employees should know their needs. Moreover, they do expect that banks should put their interests at heart, and they should be empathic and reassuring when the customers have problems. Also, they confirmed that all the operating hours should be convenient to the customers. This is relatively new to the customers in Palestine, due to the multiple alternatives and choices offered in the banking industry, and the high competition, which made the quality one of the top standards when they evaluate the experience or assess the choices. Moreover, this confirms that the Palestinian customers became noticing the details of the serving process and knowing what does the customer experience mean.

**To answer the study question: “What is the level of customer involvement in the Palestinian banking industry?”**

**Table (18): Mean and Standard Deviation of Customer Involvement Dimension**

Items	Mean	S.D	Degree	Rank
The customer-employee interactions are very important to me	4.16	.767	High	1
The customer-employee interactions means a lot to me	4.03	.869	High	2
The customer-employee interactions are very relevant to me	3.69	.928	High	3
I am highly involved in reading information about banking services	3.38	1.015	Moderate	4
<b>Customer Involvement</b>	<b>3.8183</b>	<b>.75825</b>	<b>High</b>	

As shown in table (18), the “**Customer Involvement**” got a high degree with a low deviation ( $M = 3.8183$ ,  $SD = .75825$ ). The most important item to the respondents was the first one which is “*The customer-employee interactions are very important to me*”, it had a high degree with a low deviation ( $M = 4.16$ ,  $SD = .767$ ). The second item too got a high degree and a low deviation ( $M = 4.03$ ,  $SD = .869$ ) which says “*The customer-employee interactions are very important to me*”. In addition, the third item in Importance was the third sentence which is “The customer-employee interactions are very relevant to me” with a high degree and low variance ( $M = 3.69$ ,  $SD = .928$ ). At last, the fourth important item was the last one which is “I am highly involved in reading information about banking services” with moderate degree and high variance ( $M = 3.38$ ,  $SD = 1.015$ ).

The high degree result above emphasizes that the Palestinian customers prefer the human interaction in the banking services. They confirmed that the communication with the bank employees is very important to them, very relevant to them, and means a lot. While the customers’ effort to read the information about the services is not high. This result is similar the result of Shin (2012), when he found that the employee – customer engagement in the banking digital customer experience is one of the main factors that effect the customers’ satisfaction and reuse intention. These results indicate that the customers prefer the human interaction and being served and informed through the oral communication with the employees. This result has appeared in many other sections and it could be explained due to the local social culture which trust in the human direct contact better than the digital or virtual ways, which is reflected to the customer behavior when dealing with banks and preferring to talk directly to the employee than reading the information by himself.

#### 4.4 Testing Hypotheses

**Hypothesis 1: The Demographic Profile (Age, Work, Qualification, Experience, and Income) of Customers Makes Significant Differences in Their Awareness of Digital Customer Experience, Customer Involvement and Service Quality in the Palestinian Banking Industry.**

**Table (19): The Effect of the Demographic Profile of Customers on Digital Customer Experience, Customer Involvement and Service Quality in the Palestinian Banking Industry.**

	AGE		Occupation		Education		Experience		Income	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
<b>Digital Customer Experience</b>	.533	.660	<b>4.613</b>	<b>.001</b>	2.327	.056	2.316	.057	1.277	.278
<b>Service Quality</b>	.722	.539	1.820	.124	<b>3.769</b>	<b>.005</b>	<b>2.617</b>	<b>.035</b>	<b>3.071</b>	<b>.016</b>
<b>Customer Involvement</b>	.581	.628	.544	.704	.825	.510	1.653	.160	1.999	.094

A One Way ANOVA test was used to analyze the effect of Age, Education, Experience, and Income on the research variables (Digital Customer Experience, Service Quality, and Customer Involvement). Table (19) shows that there are no significant differences between the three variables according to the mentioned demographics ( $P = .660$ ,  $P = .539$ ,  $P = .628$ ) respectively. Regarding the occupation of the customers, there is a significant difference in the digital customer experience dimension according to the job type of the customers ( $P = .001$ ). While there is no significant difference in the service quality ( $P = .124$ ) and customer involvement ( $P = .704$ ) dimensions.

Moreover, results show that there no significant difference in the digital customer experience ( $P = .056$ ) and customer involvement ( $P = .510$ ) according to the education level. On the other

hand, there is a significant difference in the service quality dimension according to the education level ( $p = .005$ ).

Finally, the income makes no significant difference in the digital customer experience ( $P = .278$ ) and the customer involvement ( $P = .094$ ), but there is a significant difference in the service quality according to the income level ( $p = .016$ ).

**Table (20): The Difference of Gender and Nationality of the Banks Customers**

	Gender	Mean	T	.Sig	Nationality	Mean	T	.Sig
<b>Digital Customer Experience</b>	Male	3.5979	2.058	.040	Local	3.4777	-2.526	.012
	Female	3.4790			Foreigner	3.6231		
<b>Service Quality</b>	Male	3.7706	1.427	.154	Local	3.6768	-2.263	.024
	Female	3.6905			Foreigner	3.8032		
<b>Customer Involvement</b>	Male	3.8881	2.037	.042	Local	3.7673	-1.470	.142
	Female	3.7333			Foreigner	3.8791		

Regarding the gender and the nationality of the bank, a normal T test was applied to analyze the data. Table (20) shows a significant difference in the digital customer experience according to the gender ( $P = .40$ ) for the favor of the males because the mean is higher ( $m = 3.5979$ ). Also, there is a significant difference in the customer involvement ( $p = .042$ ) for the favor of the males also ( $m = 3.8881$ ). On the other hand, there is no significant difference service quality according to the gender, and it can be noted obviously because the mean is almost the same for males ( $m = 3.77706$ ) and females ( $m = 3.7333$ ).

As for the nationality of the bank, there is a significant difference in the digital customer experience in terms of the bank nationality ( $p = .012$ ) for the favor of the non-local banks ( $m = 3.6231$ ). In regards to the service quality, there is also a significant difference according to

the bank nationality ( $p = .024$ ), and it's also to the favor of the non - local banks ( $m = 3.8032$ ). On the other hand, there is no significant difference in the customer involvement according to the bank nationality ( $p = .142$ ). This result could be obviously explained due to the old age of the foreigner banks compared to the Palestinian banks that are relatively new, and the higher service quality and customer experience standards that are applied there.

**Hypothesis 2: The dimensions of Digital Customer Experience are Empirically Related to Service Quality Dimensions and Customer Involvement in the Palestinian banking industry.**

**Table (21): The Relationship Between the Dimensions of Digital Customer Experience and Service Quality Dimensions and Customer Involvement in the Palestinian Banking Industry.**

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>Informative Experience</b>	1													
<b>Entertaining Experience</b>	.589**	1												
<b>Social Presence Experience</b>	.427**	.567**	1											
<b>Sensory Appeal Experience</b>	.616**	.660**	.550**	1										
<b>Convenience</b>	.620**	.604**	.428**	.621**	1									
<b>Perceived Risk</b>	.574**	.582**	.504**	.618**	.720**	1								
<b>Perceived Usability</b>	.552**	.615**	.565**	.627**	.676**	.755**	1							

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>Digital Customer Experience</b>	.741*	.792*	.697*	.795*	.836*	.876*	.880*	1						
<b>Reliability</b>	.487*	.431*	.428*	.528*	.495*	.609*	.563*	.631*	1					
<b>Tangibility</b>	.388*	.278*	.355*	.395*	.419*	.495*	.464*	.508*	.579*	1				
<b>Responsiveness</b>	.271*	.232*	.333*	.341*	.280*	.386*	.375*	.396*	.462*	.459*	1			
<b>Assurance</b>	.351*	.264*	.384*	.430*	.360*	.464*	.396*	.471*	.615*	.510*	.584*	1		
<b>Empathy</b>	.291*	.319*	.388*	.371*	.311*	.390*	.390*	.441*	.555*	.425*	.573*	.716*	1	
<b>Service Quality</b>	.454*	.394*	.476*	.523*	.474*	.592*	.553*	.620*	.828*	.734*	.726*	.855*	.838*	1
<b>Customer Involvement</b>	.093	.138*	.187*	.161*	.062	.177*	.180*	.183*	.243*	.268*	.376*	.431*	.483*	.448*

Person correlation matrix among Informative Experience, Entertaining Experience, Social Presence Experience, Sensory Appeal Experience, Convenience, Perceived Risk, Perceived Usability, Digital Customer Experience, Reliability, Tangibility, Responsiveness, Assurance, Empathy, Service Quality, and Customer Involvement.

Table (21) shows a significant positive relationship all the variables and dimensions of the thesis. There is a weak correlation between the customer involvement dimension and the digital customer experience dimension ( $r = .183$ ,  $p < .01$ ). The correlations between the customer involvement and the digital customer experience dimensions: There is no significant correlation with the Informative Experience ( $r = .093$ ,  $p > .05$ ). Entertaining Experience ( $r = .138$ ,  $p < .05$ ), Social Presence Experience ( $r = .187$ ,  $p < .01$ ), Sensory Appeal Experience ( $r = .161$ ,  $p < .01$ ), there is no significant correlation with the convenience ( $r = .062$ ,  $p > .05$ ), Perceived Risk ( $r = .177$ ,  $p < .01$ ), and perceived Usability ( $r = .180$ ,  $p < .01$ ).

Regarding the correlations between the customer involvement and the overall service quality dimensions, there is a significant weak positive correlation between the customer involvement variable and the service quality variable ( $r = .483, p < .01$ ). There is significant weak correlations between the customer involvement variable and the dimensions of the service quality: Reliability ( $r = .243, p < .01$ ), Tangibility ( $.268, p < .01$ ), Responsiveness ( $r = .376, p = p < .01$ ), Assurance, ( $r = .431, p = < .01$ ), and Empathy ( $r = .483, p = < .01$ ).

There is a significant positive strong correlation between the overall digital customer experience dimensions and the overall service quality dimension ( $r = .620, p < .01$ ).

Regarding the informative experience dimension, there is weak correlations with the service quality dimensions ( $r = .454, p < .01$ ): reliability ( $r = .487, p < .01$ ), tangibility ( $r = .388, p < .01$ ), responsiveness ( $r = .271, p < .01$ ), assurance ( $r = .351, p < .01$ ), and empathy ( $r = .291, p < .01$ ).

As for the Entertainment Experience dimension, there is a weak correlation between the entertainment experience and the overall service quality dimensions ( $r = .394, p < .01$ ). The correlation of the entertaining experience with the: reliability ( $r = .431, p < .01$ ), tangibility ( $r = .278, p = < .01$ ), responsiveness ( $r = .232, p = < .01$ ), Assurance ( $r = .264, p = < .01$ ), and empathy ( $r = .319, p = < .01$ ).

The Social presence experience dimension has a significant weak positive correlation with the overall service quality dimension ( $r = .467, p < .01$ ), the correlation of the social presence experience dimension and the service quality dimensions is: Reliability ( $r = .428, p < .01$ ), Tangibility ( $r = .355, p < .01$ ), Responsiveness ( $r = .333, p < .01$ ). Assurance ( $r = .384, p < .01$ ), and empathy ( $r = .388, p < .01$ ).

The sensory appeal experience dimension has a significant strong positive correlation with the overall service quality dimension ( $r = .523, p < .01$ ). The correlations of the sensory appeal experience dimension with the service quality dimensions are: strong with the Reliability ( $r =$

.528,  $p < .01$ ), weak with the Tangibility ( $r = .395$ ,  $p < .01$ ), weak with the Responsiveness ( $r = .341$ ,  $p < .01$ ), weak with the Assurance ( $r = .430$ ,  $p < .01$ ), and weak with the empathy ( $r = .371$ ,  $p < .01$ ).

The convenience experience dimension has a significant positive weak relationship with the overall service quality variable ( $r = .474$ ,  $p < .01$ ). The correlations of the convenience dimensions are: weak with the Reliability ( $r = .495$ ,  $p < .01$ ), weak with the Tangibility ( $r = .419$ ,  $p < .01$ ), weak with the Responsiveness ( $r = .280$ ,  $p < .01$ ), weak with the Assurance ( $r = .360$ ,  $p < .01$ ), and weak with the empathy ( $r = .311$ ,  $p < .01$ ).

The perceived risk dimension has a significant positive strong relationship with the overall service quality variable ( $r = .592$ ,  $p < .01$ ). The correlation of the perceived risk dimension with the service quality dimensions are: strong with the Reliability ( $r = .563$ ,  $p < .01$ ), weak with the Tangibility ( $r = .495$ ,  $p < .01$ ), weak with the Responsiveness ( $r = .386$ ,  $p < .01$ ), weak with the Assurance ( $r = .464$ ,  $p < .01$ ), and weak with the empathy ( $r = .390$ ,  $p < .01$ ).

The perceived usability dimension has a significant positive strong relationship with the overall service quality variable ( $r = .553$ ,  $p < .01$ ). The correlation of the perceived risk dimension with the service quality dimensions are: strong with the Reliability ( $r = .609$ ,  $p < .01$ ), weak with the Tangibility ( $r = .464$ ,  $p < .01$ ), weak with the Responsiveness ( $r = .375$ ,  $p < .01$ ), weak with the Assurance ( $r = .396$ ,  $p < .01$ ), and weak with the empathy ( $r = .390$ ,  $p < .01$ ).

**Hypothesis 3: Customer Involvement Plays a Mediating Role in Enhancing the Impact of Digital Customer Experience on Service Quality in the Palestinian Banking Industry.**

**Table (22): The Role of Customer Involvement in Enhancing the Impact of Digital Customer Experience on the Service Quality in the Palestinian Banking Industry.**

		CoFF	S.E	T	P	LLCI	ULCI	Model Summary	
								P	R-sq
Model 1	<b>Constant</b>	2.9567	.2349	12.5880	0.0000	2.4949	3.4184	0.0002	0.0336
	<b>DCE</b>	.2420	.0654	3.6994	0.0002	.1134	.3706		
Model 2	<b>Constant</b>	0.8262	0.1469	5.6239	0.0000	0.5374	1.1150	0.000	0.5052
	<b>DCE</b>	0.5402	0.0351	15.3681	0.0000	0.4711	0.6093		
	<b>CI</b>	0.2611	0.0266	9.8123	0.0000	0.2088	0.3134		
<b>Direct effect of DCE on SQ</b>									
		<b>Effect</b>	<b>S.E</b>	<b>T</b>	<b>P</b>	<b>LLCI</b>	<b>ULCI</b>		
		.5402	.0351	15.3681	.0000	.4711	.6093		
<b>Indirect effect(s) of DCE on SQ</b>									
		Customer Involvement	<b>Effect</b>	<b>BootSE</b>	<b>BootLLC</b>	<b>BootULCI</b>			
			.0632	.0235	.0212	.1122			

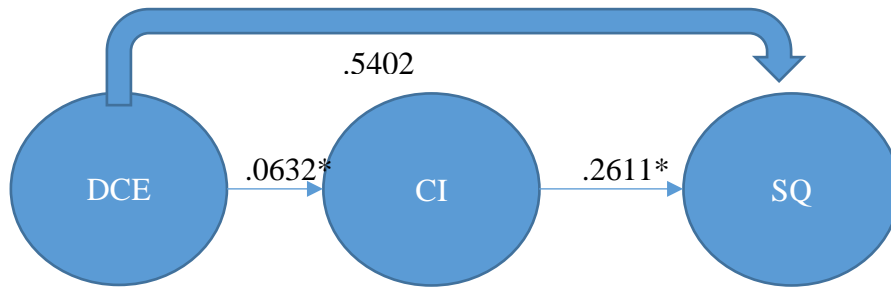
According to results in table (22), digital customer experience has a positive significant effect on customer involvement ( $r^2=.0336$ ,  $p=.0002$ ). which means that 3.36% of the variance in customer involvement caused by digital customer experience. Therefore, we accept the alternative hypothesis which indicates that there is a significant impact of the digital customer experience on the customer involvement in the Palestinian banking industry. As shown in table (22), customer involvement plays a mediating role in enhancing the impact of the digital customer experience on the service quality ( $r^2=.5052$ ,  $p=.0000$ ) which means that 50.52% of the variance in service quality caused by digital customer experience and customer involvement as mediator. Therefore, we accept the alternative hypotheses which indicate that

customer involvement plays a mediating role in enhancing the impact of the digital customer experience on the service quality in the Palestinian banking industry.

Moreover, digital customer experience has a significant impact on customer involvement ( $a = .2420$ ,  $p = .0002$ ), Customer involvement has a significant impact on service quality ( $b = 0.2611$ ,  $p < .000$ ), and digital customer experience has significant impact on service quality ( $c'$  (direct effect) =  $0.5402$ ,  $p = .000$ ). In addition, total effect of digital customer experience on service quality is  $.5402$ ,  $p = .0000$ . Moreover, the indirect effect of digital customer experience on service quality through customer involvement is  $.0632$  (path  $a * \text{path } b$ ) because 0 does not belong to the Bootstrap Lower Level Confidence Interval (BootLLCI =  $.0212$ ) and Bootstrap Upper Level Confidence Interval (BootULCI =  $.1122$ ). Therefore we accept the alternative hypothesis which indicates that customer involvement plays a mediating role in enhancing the impact of the digital customer experience on the service quality in the Palestinian banking industry. Moreover, since digital customer experience has a significant effect on service quality the mediation is partially. Customer involvement is contributed to 11.7% ( $.0632 / .5402$ ) of the effect of digital customer experience.

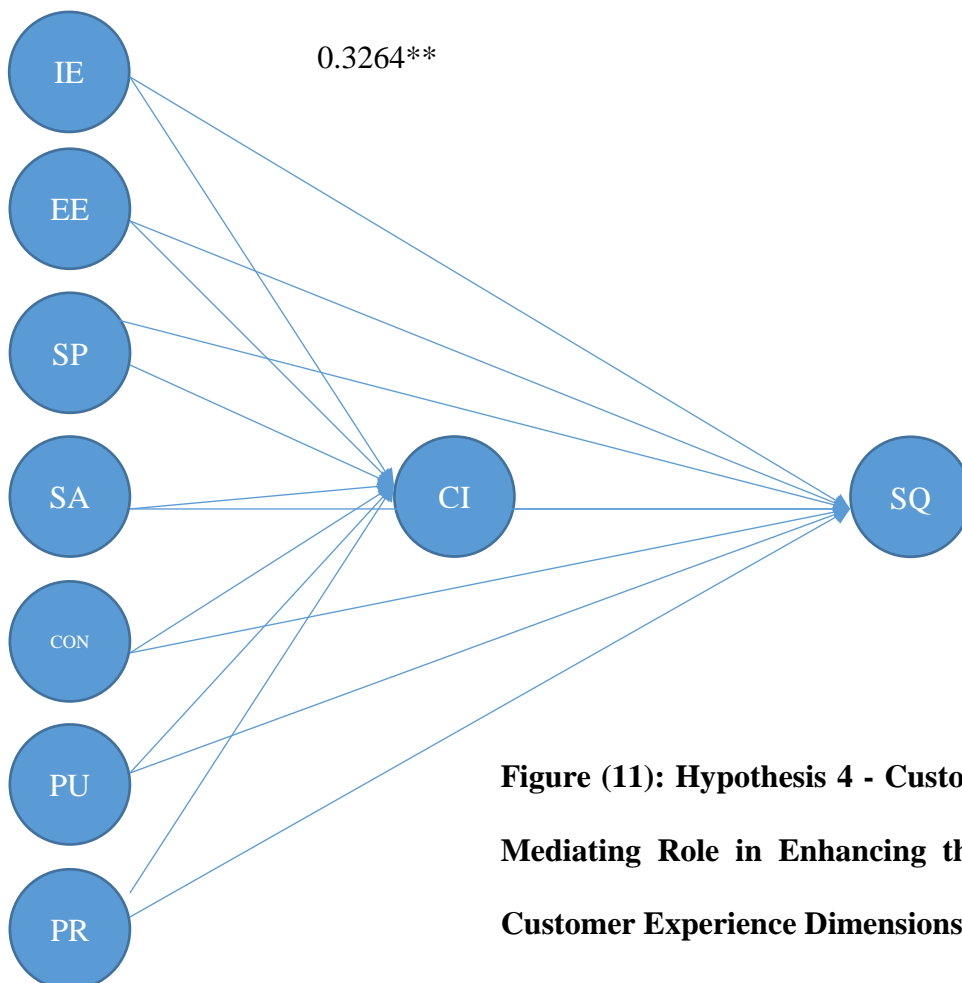
This result agrees with Frown & Payne (2007) who emphasized that if the customer experience didn't meet their expectations, the degree of customer satisfaction and service quality will be low.

The main aim of providing the best customer experience is to maintain long term relationships with customers, and this will not happen if they didn't find the best experience, especially through the very high competition that is existing currently in Palestine, as the market is very small, and the number of the banks is very large.



**Figure (10): Hypothesis 3 - Customer Involvement Plays a Mediating Role in Enhancing the Impact of Digital Customer Experience on Service Quality in the Palestinian Banking Industry**

**Hypothesis 4: Customer Involvement Plays a Mediating Role in Enhancing the Impact of Digital Customer Experience Dimensions on Service Quality in the Palestinian Banking Industry.**



**Figure (11): Hypothesis 4 - Customer Involvement Plays a Mediating Role in Enhancing the Impact of the Digital Customer Experience Dimensions on the Service Quality in the Palestinian Banking Industry.**

**Hypothesis 4-1: Customer Involvement Plays a Mediating Role in Enhancing the Impact of Informative Experience Dimension on Service Quality in the Palestinian Banking Industry.**

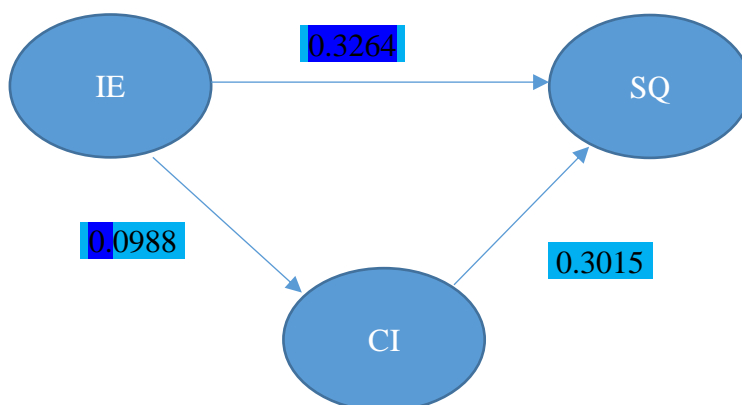
**Table (23): The Role of Customer Involvement in Enhancing the Impact of the Informative Experience Dimension on the Service Quality in the Palestinian Banking Industry.**

		CoFF	S.E	T	P	LLCI	ULCI	Model Summary	
								P	R-sq
Model	<b>Constant</b>	3.438	.2081	16.5228	.0000	3.0289	3.8470	.0638	.0086
	IE	.0988	.0532	1.8589	.0638	-.0057	.2034		
Mode2	<b>Constant</b>	1.3274	.1587	8.3622	.0000	1.0153	1.6395	.0000	.3722
	IE	.3264	.0314	10.4071	.0000	.2647	.3880		
	<b>CI</b>	.3015	.0295	10.2296	.0000	.2436	.3594		
<b>Direct effect of IE on SQ</b>									
	<b>Effect</b>	<b>S.E</b>	<b>T</b>	<b>P</b>	<b>LLCI</b>	<b>ULCI</b>			
	.3264	.0314	10.4071	.0000	.2647	.3880			
<b>Indirect effect(s) of IE on SQ</b>									
	Customer Involvement	<b>Effect</b>	<b>BootSE</b>	<b>BootLLC</b>	<b>BootULCI</b>				
		.0298	.0199	-.0056	.0713				

According to results in table (23), informative experience has a positive significant effect on customer involvement ( $r^2=.0086$ ,  $p=.0638$ ). which means that 0.086% of the variance in customer involvement caused by informative experience. Therefore, we accept the alternative hypotheses which indicate that there is a significant impact of the informative experience on the customer involvement in the Palestinian banking industry. As shown in table (23), customer involvement plays a mediating role in enhancing the impact of the informative experience on the service quality ( $r^2=.3722$ ,  $p=.0000$ ).which means that 37.22% of the variance in service quality caused by informative experience and customer involvement as mediator.

Therefore, we accept the alternative hypotheses which indicate that customer involvement plays a mediating role in enhancing the impact of the informative experience on the service quality in the Palestinian banking industry.

Moreover, informative experience has not a significant impact on customer involvement ( $a = .0988$ ,  $p = .0638$ ), Customer involvement has a significant impact on service quality ( $b = 0.3015$ ,  $p < .000$ ), and informative experience has significant impact on service quality ( $c'$  (direct effect) =  $0.3264$ ,  $p = .000$ ). In addition, total direct effect of informative experience on service quality is  $.3264$ ,  $p < .0000$ . Moreover, the indirect effect of informative experience on service quality through customer involvement is  $.0298$  (path  $a * \text{path } b$ ) because  $0$  belongs to the Bootstrap Lower Level Confidence Interval (BootLLCI =  $-.0056$ ) and Bootstrap Upper Level Confidence Interval (BootULCI =  $.0713$ ). Therefore we don't accept the alternative hypotheses which indicate that customer involvement plays a mediating role in enhancing the impact of the informative experience on the service quality in the Palestinian banking industry. Moreover, since informative experience has a significant effect on service quality the mediation is partially. Customer involvement is contributed to  $9.12\%$  ( $.0298 / .3264$ ) of the effect of informative experience.



**Figure (12): Hypothesis 4-1 - Customer Involvement Plays a Mediating Role in Enhancing the Impact of the Informative Experience Dimension on the Service Quality in the Palestinian Banking Industry.**

**Hypothesis 4-2: Customer Involvement Plays a Mediating Role in Enhancing the Impact of Entertaining Experience Dimension on Service Quality in the Palestinian Banking Industry.**

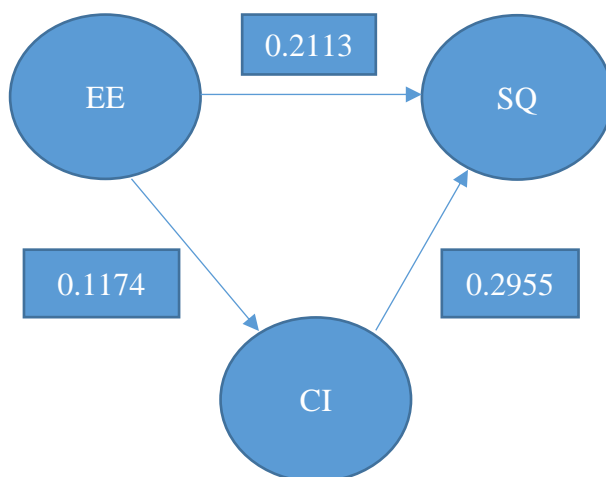
**Table (24): The Role of Customer Involvement in Enhancing the Impact of Entertaining Experience Dimension on Service Quality in the Palestinian Banking Industry.**

		CoFF	S.E	T	P	LLCI	ULCI	Model Summary	
								P	R-sq
Model	<b>Constant</b>	3.4179	.1486	23.0021	.0000	3.1258	3.7101	.0056	.0192
	<b>EE</b>	.1174	.0422	2.7851	.0056	.0345	.2003		
Mode2	<b>Constant</b>	1.8856	.1402	13.4490	.0000	1.6100	2.1613	.0000	.3126
	<b>EE</b>	.2113	.0263	8.0354	.0000	.1596	.2630		
	<b>CI</b>	.2955	.0310	9.5304	.0000	.2345	.3565		
<b>Direct effect of EE on</b>									
<b>SQ</b>		<b>Effect</b>	<b>S.E</b>	<b>T</b>	<b>P</b>	<b>LLCI</b>	<b>ULCI</b>		
		.2113	.0263	8.0354	.0000	.1596	.2630		
<b>Indirect effect(s) of EE on</b>									
<b>SQ</b>		Customer Involvement	<b>Effect</b>	<b>BootSE</b>	<b>BootLLC</b>	<b>BootULCI</b>			
			.0347	.0156	.0073	.0683			

According to results in table (24), entertaining experience has a positive significant effect on customer involvement ( $r^2=.0192$ ,  $p=.0056$ ). which means that 0.056% of the variance in customer involvement caused by entertaining experience. Therefore, we accept the alternative hypotheses which indicate that there is a significant impact of the entertaining experience on the customer involvement in the Palestinian banking industry. As shown in table (24), customer involvement plays a mediating role in enhancing the impact of the entertaining experience on the service quality ( $r^2=.3126$ ,  $p=.0000$ ) which means that 31.26% of the variance in service quality caused by entertaining experience and customer involvement as mediator. Therefore, we accept the alternative hypotheses which indicate that customer involvement plays a mediating role in enhancing the impact of the entertaining experience on the service quality in the Palestinian banking industry.

Moreover, entertaining experience has a significant impact on customer involvement ( $a = .1174$ ,  $p = .00562$ ), Customer involvement has a significant impact on service quality ( $b = 0.2955$ ,  $p < .000$ ), and entertaining experience has significant impact on service quality ( $c'$  (direct effect) =  $0.2113$ ,  $p = .000$ ). In addition, total direct effect of entertaining experience on service quality is  $.2113$ ,  $p < .0000$ . Moreover, the indirect effect of entertaining experience on service quality through customer involvement is  $.0347$  (path  $a * \text{path } b$ ) because 0 does not belong to the Bootstrap Lower Level Confidence Interval (BootLLCI =  $.0073$ ) and Bootstrap Upper Level Confidence Interval (BootULCI =  $.0683$ ). Therefore we accept the alternative hypotheses which indicate that customer involvement plays a mediating role in enhancing the impact of the entertaining experience on the service quality in the Palestinian banking industry. Moreover, since digital customer experience has a significant effect on service quality the mediation is partially. Customer involvement is contributed to 9.3% ( $.0683 / .0073$ ) of the effect of entertaining experience.

This result means that if the digital channels provide customers with the needed information, it will be satisfying enough to enhance the customer experience, which is logically accepted.



**Figure (13): Hypothesis 4-2 - Customer Involvement Plays a Mediating Role in Enhancing the Impact of Entertaining Experience Dimension on Service Quality in the Palestinian Banking Industry.**

**Hypothesis 4-3: Customer Involvement Plays a Mediating role in Enhancing the Impact of Social Presence Experience Dimension on Service Quality in the Palestinian Banking Industry.**

**Table (25): The Role of Customer Involvement in Enhancing the Impact of Social Presence Experience Dimension on the service Quality in the Palestinian Banking Industry.**

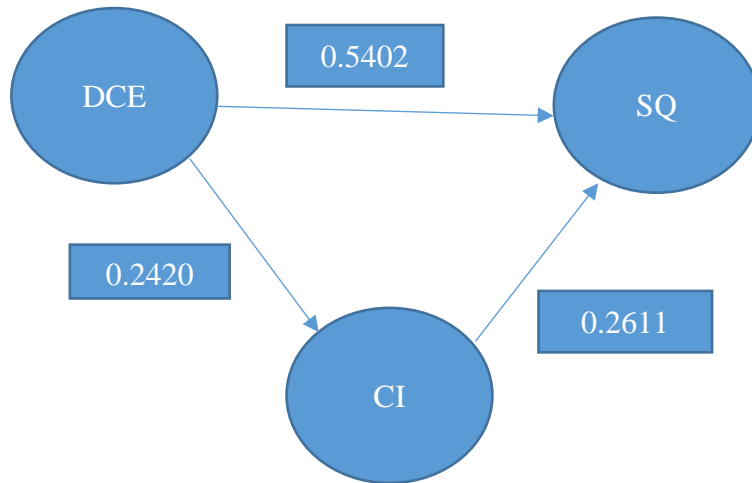
		CoFF	S.E	T	P	LLCI	ULCI	Model Summary	
								P	R-sq
Model	<b>Constant</b>	3.3384	.1316	25.3751	.0000	3.0798	3.5971	.0002	.0349
	SPE	.1592	.0422	3.7746	.0002	.0763	.2421		
Mode2	<b>Constant</b>	1.9069	.1277	14.9277	.0000	1.6558	2.1581	.0000	.3660
	SPE	.2544	.0257	9.9049	.0000	.2039	.3049		
	<b>CI</b>	.2803	.0301	9.2986	.0000	.2210	.3395		
<b>Direct effect of SPE on SQ</b>									
<b>Effect</b>		<b>S.E</b>	<b>T</b>	<b>P</b>	<b>LLCI</b>	<b>ULCI</b>			
.2544		.0257	9.9049	.0000	.2039	.3049			
<b>Indirect effect(s) of SPE on SQ</b>									
Customer Involvement		<b>Effect</b>	<b>BootSE</b>	<b>BootLLC</b>	<b>BootULCI</b>				
		.0446	.0150	.0181	.0770				

According to results in table (25), social presence experience has a positive significant effect on customer involvement ( $r^2=.0349$ ,  $p=.0002$ ). which means that 0.349% of the variance in customer involvement caused by social presence experience. Therefore, we accept the alternative hypotheses which indicate that there is a significant impact of the social presence experience on the customer involvement in the Palestinian banking industry. As shown in table (25), customer involvement plays a mediating role in enhancing the impact of the social presence experience on the service quality ( $r^2=.3660$ ,  $p=.0000$ ).which means that 36.60% of the variance in service quality caused by social presence experience and customer involvement

as mediator. Therefore, we accept the alternative hypotheses which indicate that customer involvement plays a mediating role in enhancing the impact of the social presence experience on the service quality in the Palestinian banking industry.

Moreover, social presence experience has a significant impact on customer involvement ( $a = .1592$ ,  $p = .0002$ ), Customer involvement has a significant impact on service quality ( $b = 0.2803$ ,  $p < .000$ ), and social presence experience has significant impact on service quality ( $c'$  (direct effect) =  $0.2544$ ,  $p < .000$ ). In addition, total direct effect of social presence experience on service quality is  $.2544$ ,  $p < .0000$ . Moreover, the indirect effect of social presence experience on service quality through customer involvement is  $.0446$  (path  $a * \text{path } b$ ) because 0 does not belong to the Bootstrap Lower Level Confidence Interval (BootLLCI =  $.0181$ ) and Bootstrap Upper Level Confidence Interval (BootULCI =  $.0770$ ). Therefore we accept the alternative hypotheses which indicate that customer involvement plays a mediating role in enhancing the impact of the social presence experience on the service quality in the Palestinian banking industry. Moreover, since social presence experience has a significant effect on service quality the mediation is partially. Customer involvement is contributed to 4.25% ( $.0770 / .0181$ ) of the effect of social presence experience.

When customers feel the human senses in the digital channels, it will satisfy an important part that is delivered by the offline channels, so it will help them to consider the digital channels a good alternative, which will definitely increase the customer experience. This agrees with Darke (2016), he indicates that the social presence experience matches the offline experience through providing social aspects.



**Figure (14): Hypothesis 4-3 - Customer Involvement Plays a Mediating Role in Enhancing the Impact of Social Presence Experience Dimension on Service Quality in the Palestinian Banking Industry.**

**Hypothesis 4-4: Customer Involvement Plays a Mediating Role in Enhancing the Impact of Sensory Appeal Experience Dimension on Service Quality in the Palestinian Banking Industry.**

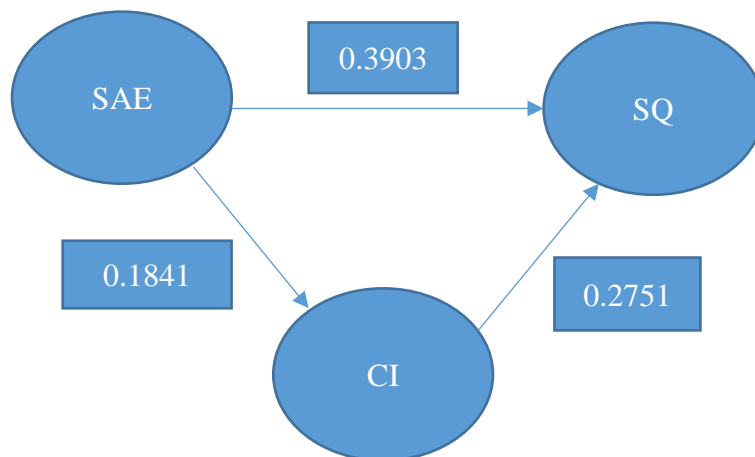
**Table (26): The Role of Customer Involvement in Enhancing the Impact of Sensory Appeal Experience Dimension on Service Quality in the Palestinian Banking Industry.**

		CoFF	S.E	T	P	LLCI	ULCI	Model Summary	
								P	R-sq
Model	<b>Constant</b>	3.1388	.2125	14.7682	.0000	2.721	3.5567	.0013	.0259
	<b>SAE</b>	.1841	.0567	3.2479	.0013	.0727	.2955		
Mode2	<b>Constant</b>	1.2435	.1521	8.1782	.0000	.9446	1.5424	.0000	.4091
	<b>SAE</b>	.3903	.0330	11.8243	.0000	.3254	.4552		
	<b>CI</b>	.2751	.0288	9.5376	.0000	.2184	.3318		
<b>Direct effect of SAE on SQ</b>		<b>Effect</b>	<b>S.E</b>	<b>T</b>	<b>P</b>	<b>LLCI</b>	<b>ULCI</b>		
		.3903	.0330	11.8243	.0000	.3254	.4552		
<b>Indirect effect(s) of SAE on SQ</b>		Customer Involvement		<b>Effect</b>	<b>BootSE</b>	<b>BootLLC</b>	<b>BootULCI</b>		
				.0506	.0217	.0112	.0959		

According to results in table (26), sensory appeal experience has a positive significant effect on customer involvement ( $r^2=.0259$ ,  $p=.0013$ ). which means that 2.59% of the variance in customer involvement caused by sensory appeal experience. Therefore, we accept the alternative hypotheses which indicate that there is a significant impact of the sensory appeal experience on the customer involvement in the Palestinian banking industry. As shown in table (26), customer involvement plays a mediating role in enhancing the impact of the sensory appeal experience on the service quality ( $r^2=.4091$ ,  $p=.0000$ ) which means that 4.091% of the variance in service quality caused by sensory appeal experience and customer involvement as mediator. Therefore, we accept the alternative hypotheses which indicate that customer involvement plays a mediating role in enhancing the impact of the sensory appeal experience on the service quality in the Palestinian banking industry.

Moreover, sensory appeal experience has a significant impact on customer involvement ( $a= .1841$ ,  $p=.0013$ ), Customer involvement has a significant impact on service quality ( $b=0.2751$ ,  $p=.000$ ), and sensory appeal experience has significant impact on service quality ( $c'$  (direct effect) =  $0.3903$ ,  $p=.000$ ). In addition, total effect of sensory appeal experience on service quality is  $.3903$ ,  $p=.0000$ . Moreover, the indirect effect of sensory appeal experience on service quality through customer involvement is  $.0506$  (path  $a * \text{path } b$ ) because 0 does not belongs to the Bootstrap Lower Level Confidence Interval (BootLLCI=  $.0112$ ) and Bootstrap Upper Level Confidence Interval (BootULCI=  $.0959$ ). Therefor we accept the alternative hypotheses which indicate that customer involvement plays a mediating role in enhancing the impact of the sensory appeal experience on the service quality in the Palestinian banking industry. Moreover, since sensory appeal experience has a significant effect on service quality the mediation is partially. Customer involvement is contributed to 8.5% ( $.0959 / .0112$ ) of the effect of sensory appeal experience.

The results emphasize that the sensory appeal experience is very important to customers to feel a better experience. According to Gentile, Spiller & Noci (2007), sensory appeal experience through digital channels encourages the five senses of the human. When customers receive the information through multiple senses they will be more satisfied and the experience gets closer to the offline experience.



**Figure (15): Hypothesis 4-4 - Customer Involvement Plays a Mediating Role in Enhancing the Impact of Sensory Appeal Experience Dimension on Service Quality in the Palestinian Banking Industry.**

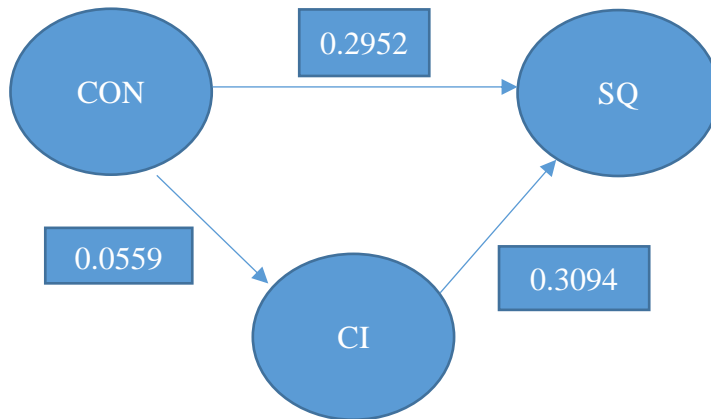
**Hypothesis 4-5: Customer Involvement Plays a Mediating Role in Enhancing the Impact of Convenience Dimension on Service Quality in the Palestinian Banking Industry.**

**Table (27): The role of Customer Involvement in Enhancing the Impact of the Convenience Dimension on the Service Quality in the Palestinian Banking Industry.**

		CoFF	S.E	T	P	LLCI	ULCI	Model Summary	
								P	R-sq
Model	<b>Constant</b>	3.6100	.1717	21.0275	.0000	3.2725	3.9476	.2143	.0039
	<b>CON</b>	.0558	.0448	1.2438	.2143	-.0324	.1439		
Mode2	<b>Constant</b>	1.4507	.1430	10.1470	.0000	1.1696	1.7318	.0000	.3999
	<b>CON</b>	.2952	.0257	11.4702	.0000	.2446	.3457		
	<b>CI</b>	.3094	.0287	10.7644	.0000	.2529	.3660		
<b>Direct effect of SAE on SQ</b>									
		<b>Effect</b>	<b>S.E</b>	<b>T</b>	<b>P</b>	<b>LLCI</b>	<b>ULCI</b>		
		.2952	.0257	11.4702	.0000	.2446	.3457		
<b>Indirect effect(s) of CON on SQ</b>									
		Customer Involvement	<b>Effect</b>	<b>BootSE</b>	<b>BootLLC</b>	<b>BootULCI</b>			
			.0173	.0170	-.0144	.0522			

According to results in table (27), convenience has a positive significant effect on service quality ( $r^2=.3999$ ,  $p<.000$ ). which means that 39.99% of the variance in service quality caused by convenience. Therefore, we reject the null hypothesis and accept the alternative hypothesis which indicates that convenience has a positive significant effect on customer involvement. As shown in table (24) model 2, the direct path of convenience on service quality ( $c' = 0.2952$ ) which is significant since 0 does not belong to the  $BootLLCI = .2446$  and  $BootULCI = 0.3457$ . Convenience as insignificant effect on customer involvement), as indicated by table (27) model 1, ( $r^2=0.0039$ ,  $p=.2143$ ). As indicated in able (24), in spite of customer involvement has a positive effect on service quality ( $b=.3094$ ,  $LLCI=.2529$  &  $ULCI=.3660$ ), but the indirect path of convenience on service quality is insignificant since 0 belongs to the  $BootLLCI=-.0144$  and  $BootULCI=.0522$ . Therefore, we accept the null

hypotheses which indicate that customer involvement does not play a mediating role in enhancing the impact of the convenience n the service quality in the Palestinian banking industry.



**Figure (16): Hypothesis 4-5 - Customer Involvement Plays a Mediating Role in Enhancing the Impact of the Convenience Dimension on Service Quality in the Palestinian Banking Industry.**

**Hypothesis 4-6: Customer Involvement Plays a Mediating Role in Enhancing the Impact of Perceived Risk Dimension on Service Quality in the Palestinian Banking Industry.**

**Table (28): The Role of Customer Involvement in Enhancing the impact of the Perceived Risk Dimension on Service Quality in the Palestinian Banking Industry.**

		CoFF	S.E	T	P	LLCI	ULCI	Model Summary	
								P	R-sq
Model	Constant	3.1812	.1813	17.5438	.0000	2.8247	3.5377	.0004	.0315
	PR	.1831	.0510	3.5905	.0004	.0828	.2833		
Mode2	Constant	1.3375	.1317	10.1577	.0000	1.0786	1.5963	.0000	.4717
	PR	.4027	.0282	14.2603	.0000	.3472	.4582		
	CI	.2608	.0274	9.5356	.0000	.2070§	.3146		
<b>Direct effect of PR on SQ</b>									
	<b>Effect</b>	<b>S.E</b>	<b>T</b>	<b>P</b>	<b>LLCI</b>	<b>ULCI</b>			
	.4027	.0282	14.2603	.0000	.3472	.4582			
<b>Indirect effect(s) of PR on SQ</b>									
	Customer Involvement	<b>Effect</b>	<b>BootSE</b>	<b>BootLLC</b>	<b>BootULCI</b>				
		.0478	.0185	.0148	.0874				

According to results in table (28), perceived risk has a positive significant effect on customer involvement ( $r^2=.0315$ ,  $p=.0004$ ). which means that 3.15% of the variance in customer involvement caused by perceived risk. Therefore, we accept the alternative hypotheses which indicate that there is a significant impact of the perceived risk on the customer involvement in the Palestinian banking industry. As shown in table (28), customer involvement plays a mediating role in enhancing the impact of the perceived risk on the service quality ( $r^2=.4717$ ,  $p=.0000$ ) which means that 47.17% of the variance in service quality caused by perceived risk and customer involvement as mediator. Therefore, we accept the alternative hypotheses which indicate that customer involvement plays a mediating role in enhancing the impact of the perceived risk on the service quality in the Palestinian banking industry.

Moreover, perceived risk has a significant impact on customer involvement ( $a=.1831$ ,  $p=.0004$ ), Customer involvement has a significant impact on service quality ( $b=0.2608$ ,  $p=.000$ ), and perceived risk has significant impact on service quality ( $c'$  (direct effect) =  $0.4027$ ,  $p=.000$ ). In addition, total effect of perceived risk on service quality is  $.4027$ ,  $p=.0000$ . Moreover, the indirect effect of perceived risk on service quality through customer involvement is  $.0478$  (path  $a * \text{path } b$ ) because 0 does not belongs to the Bootstrap Lower Level Confidence Interval (BootLLCI=  $.0148$ ) and Bootstrap Upper Level Confidence Interval (BootULCI=  $.0874$ ). Therefor we accept the alternative hypotheses which indicate that customer involvement plays a mediating role in enhancing the impact of the perceived risk on the service quality in the Palestinian banking industry. Moreover, since perceived risk has a significant effect on service quality the mediation is partially. Customer involvement is contributed to 5.9% ( $.0874 / .0148$ ) of the effect of perceived risk.

Perceived risk do affect digital customer experience, it's a barrier that stands in front of the buying decision, according to Jarvenpaa & Todd (1996). SO, if the service through the digital

channels was full of risk feelings, the whole experience will be negatively affected, the the quality level gets lower.



**Figure (17): Hypothesis 4-6 - Customer Involvement Plays a Mediating Role in Enhancing the Impact of Perceived Risk Dimension on Service Quality in the Palestinian Banking Industry.**

**Hypothesis 4-7: Customer Involvement Plays a Mediating Role in Enhancing the Impact of the Perceived Usability Dimension on Service Quality in the Palestinian Banking Industry.**

**Table (29): The Role of Customer Involvement in Enhancing the Impact of Perceived Usability Dimension on Service Quality in the Palestinian Banking Industry.**

		CoFF	S.E	T	P	LLCI	ULCI	Model Summary	
								P	R-sq
Model	Constant	2.8513	.2679	10.6444	.0000	2.3246	3.3779	.0003	.0324
	PU	.2706	.0742	3.6459	.0003	.1247	.4165		
Mode2	Constant	.7870	.1718	4.5815	.0000	.4493	1.1247	.0000	.4315
	PU	.5415	.0427	12.6872	.0000	.4576	.6254		
	CI	.2652	.0284	9.3409	.0000	.2094	.3210		

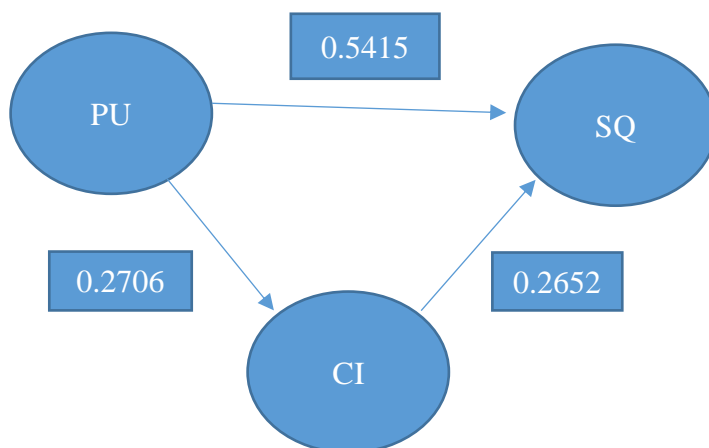
Direct effect of PU on SQ	Effect	S.E	T	P	LLCI	ULCI
		.5415	.0427	12.6872	.0000	.4576
<b>Indirect effect(s) of PU on SQ</b>						
	Customer Involvement	Effect	BootSE	BootLLC	BootULCI	
		.0718	.0281	.0201	.1310	

According to results in table (29), perceived usability has a positive significant effect on customer involvement ( $r^2=.0324$ ,  $p=.0003$ ) which means that 3.24% of the variance in customer involvement caused by perceived usability. Therefore, we accept the alternative hypotheses which indicate that there is a significant impact of the perceived usability on the customer involvement in the Palestinian banking industry. As shown in table (29), customer involvement plays a mediating role in enhancing the impact of the perceived usability on the service quality ( $r^2=.4315$ ,  $p=.0000$ ) which means that 43.15% of the variance in service quality caused by perceived usability and customer involvement as mediator. Therefore, we accept the alternative hypotheses which indicate that customer involvement plays a mediating role in enhancing the impact of the perceived usability on the service quality in the Palestinian banking industry.

Moreover, perceived usability has a significant impact on customer involvement ( $a=.2706$ ,  $p=.0003$ ), Customer involvement has a significant impact on service quality ( $b=0.2652$ ,  $p<.000$ ), and perceived usability has significant impact on service quality ( $c'$  (direct effect) =  $0.5415$ ,  $p=.000$ ). In addition, total effect of perceived risk on service quality is  $.5415$ ,  $p=.0000$ . Moreover, the indirect effect of perceived usability on service quality through customer involvement is  $.0718$  (path  $a * \text{path } b$ ) because 0 does not belongs to the Bootstrap Lower Level Confidence Interval (BootLLCI=  $.0201$ ) and Bootstrap Upper Level Confidence Interval (BootULCI=  $.1310$ ). Therefore we accept the alternative hypotheses which indicate that

customer involvement plays a mediating role in enhancing the impact of the perceived usability on the service quality in the Palestinian banking industry. Moreover, since perceived usability has a significant effect on service quality the mediation is partially. Customer involvement is contributed to 6.5% (.1310 /.0201) of the effect of perceived usability.

Perceived usability should affect the service quality, as it's an important part of the service itself. According to the previous literature in this thesis, there is a strong direct relationship between the ease of using the e-channel and the positivity of the experience with this channel, as cited by Rose, Hair & Clark (2011), Chen & Dubinsky (2003); Cheung et al. (2005); Cho & Park (2001). When customers find the use of the digital channels is easy the experience will be better and the quality of that service gets higher.



**Figure (18): Hypothesis 4-7 - Customer Involvement Plays a Mediating Role in Enhancing the Impact of Perceived Usability Dimension on Service quality in the Palestinian Banking Industry.**

## **Chapter Five**

### **Conclusions and Recommendations**

This chapter summarizes the findings of this research. We will discuss the results and match them with other similar research findings in order to enhance and support the understanding of the variables that have been used in this study related to the Palestinian banking industry. Furthermore, the researcher will add her recommendations where scholars can investigate the neglected areas in their studies and help in narrowing their studies.

#### **5.1 Discussion About Research Questions**

In this section, the researcher discusses the model variables in comparison to the previous studies mentioned in the literature review.

##### **5.1.1 Digital Customer Experience**

In the previous chapter, the researcher found out that there is a moderate level of digital customer experience dimensions in the Palestinian banking sector, and that indicates a lower awareness of the importance of this concept in the banking sector. Regarding the dimensions of the digital experience, different results were found, the recommendations will be on the moderate degree dimensions.

##### **- Entertaining Experience**

The overall entertaining dimension got a moderate degree, and the three items that it consists of are moderate too. That means that the entertainment element in terms of fun, joy, and entertainment in the digital channels of the banks is missed, which could decrease the usage times and rates as there is no attractive factor to encourage customers to stay more using these

channels. The researcher recommends to add a touch of entertainment through supporting these channels with interactive games or activities that encourages customers to use them, for example, a game section could be added to the mobile banking that asks the customer some questions about the bank or some general questions with prizes. Moreover, the way of communication through the channel itself could be funny at some points, to change the rigid image about the banking industry in the customers minds, which usually creates a stressful atmosphere while checking the accounts. For example, if a customer had made a financial transaction through the online banking or mobile banking, a funny message can appear to the customer to inform him that the transaction was done successfully, or a kind message that can decrease the bad reaction of the customer if the transaction was not successful. Also, the boring way of communication of the contact center IVR or employees could be changed to a way that could be closer to the customer, so he doesn't feel that he is talking to robot! Besides, the waiting time of the contact center could be supported with an interactive activities so the customer will not feel the long time, instead of the advertisements, questions and prizes for example. In this way the customer can have fun while banking, can be entertained through the activities, and enjoy with the winning and prizes. Moreover, this trick breaks the customers' barriers with the digital channels and encourages them to use it more frequently, which increases the usage rate and time, and absolutely increases the dependency on these channels.

#### - **Social Presence Experience**

As for chapter four, the social presence experience dimension got a moderate degree, and the three items too. The social presence is about delivering the human sense through digital channels (Gefen & Straub (2003), exactly, its about feeling the human contact, human warmth, and human sensitivity. The moderate level of this dimension is an indicator that the human sense is still not being considered in the banking digital channels in Palestine, and that those

channels are still not developed to the level that allow them to be a complete alternative of the physical communication, which explains why the customers still prefer to contact the bank through employees. Moreover, the Palestinian culture appreciates the human contact in general because it provides them a feeling of reliability and trust. In order to reach this, and beside providing interactive services like chat pots, WhatsApp, social media chat, and ITMs (Interactive Teller Machine), the researcher recommends to develop and use more these tools to deliver the human sense. This could be achieved by delivering a feeling of customization through talking, so the customer can feel the warmth and the importance of him to the bank, because, sometimes, the professional replies through the digital channels be harsh and strict. Moreover, providing a video chat feature through the online and digital channels will definitely provide the human contact, warmth, and sensitivity, as the customer will be treated exactly the same like he's visiting the branch. More artificial intelligence techniques could be added to the channels by tracking the clicks and movements of the customer and providing immediate help if it seems that the customer doesn't know how to use the channel. Most of the mentioned solutions are not new, and applied around the world, but they still haven't been applied in Palestine except some special cases, and this what makes the Palestinian customers still didn't find the human sense in the digital channels, so the main recommendation is to apply the artificial intelligence solutions as soon as possible.

#### - **Sensory Appeal Experience**

Chapter four shows that the sensory appeal experience got a moderate degree, and the three items also got the same result except the second item which got a high level. The sensory appeal dimension is about providing features that influence the five senses (Gentile, Spiller & Noci (2007), and the two moderate items are about the liveliness of the product presentation on the digital channel, and about providing exciting information to the senses. These results

emphasize the result was shown above, and explains the weakness of the human sense dimension. The researcher recommends to apply the same recommendation of the previous point. Providing a different sensory channels like voices and videos attract the customers more, and get them more engaged to these channels which boosts the human sense firstly, and enter the customers' minds through many senses which let the information stay more in the minds. This way could provide many of the feeling and impressions that are missed in the digital channels and the customers only find them in the bank branches. This solution increases the usage rate and time and eliminates the footfall to the bank, which decreases the costs.

#### - **Convenience**

The previous chapter shows that the convenience dimension got a high degree in general, and all its four items are high too, except the fourth one which is about the signing up and creating the account for the digital channels. The banks have to put many verification steps for the digital channels account creating because these accounts give the customers the ability to make financial transactions. The researcher recommendation is to decrease the number of verification steps that is requested from the customers in a way that doesn't lose the security and privacy factors. Moreover, the awareness of the signing up process could be more interactive and entertaining, through making enjoyable or funny short videos to attract the customers to try to create digital accounts.

#### - **Perceived Risk**

The perceived risk results showed a moderate level to the dimension in general, and to five items of this dimension out of six. The risk is a barrier to financial action which make it, and the results of this dimensions show that this barrier is really exists with the Palestinian customers. The weakness here is about the performance of the digital channels, the safety

issues, the local norms, the time, and psychological aspect. The researcher recommendations regarding this dimension are: First of all, the digital channels should be working every time without any technical problems, and this needs a continuous follow up and immediate response. This point should solve the performance risk, time risk, and psychological risk results to avoid losing the time of the customers and cause bad feelings and bad experience to them, and then losing the customers themselves. Regarding the financial risk which is the main point in the banking sector, the researcher recommends to increase the awareness about the restrictions that are used in the banks to avoid any steel of fraud cases, and how much the digital banking is safe, it's a matter of time, this case needs some effort in the beginnings and then the customers will be convinced after the experience. Moreover, banks in Palestine should keep the awareness campaigns about not giving the banking information to anyone to avoid the fraud. The overall risk matters could be solved through the continuous awareness campaigns by banks which are already being done continuously. So, the recommendation is to change the way, and make it more interactive and easy to be learned by customers.

#### - **Perceived Usability**

The perceived usability results got a moderate level, but only three out of nine items got a moderate degree, which are about needing a technical support to use the digital channels, inconsistency, and needing to learn a lot before start using the digital channels. These results emphasize the previous results about the signing up problems and the performance risk. The researcher recommends to provide videos videos similar to the one that was mentioned before about educating customers how to sign up, these short videos are about educating customers about the use of the digital channels for the first time. Moreover, those videos can be displayed on the same digital channels before starting using or signing up. Its all about finding easy

solutions that don't require the customers to make an effort. Regarding the consistency issues, the recommendation is same to the one of the performance and time risk.

### **5.1.2 Service Quality Dimension**

In chapter four, the service quality dimension in general got a high degree, which means that banks have achieved some of the service quality standards, but even that, there are two dimensions out of five have gotten a moderate degree.

#### **- Reliability**

In general, the reliability dimension got a high degree, and its all four items got the same result too, except the first one, which is about providing services by the promised time. Customers showed that they don't get the services exactly at the same time the bank promised, which effects the reliability concept negatively. The researcher recommendation is to provide a complete awareness and learning to the branches employees about the concept of the service quality and the reliability especially. There is a large number of the front-line employees who didn't learn this concept in their past experience, so the bank should do this effort to the front line and back office employees in order to fulfill the organizational culture with this concept, which allow to deliver it to the customers easily. Moreover, the service quality departments should control the reliability concept, and make sure that employees provide the right and accurate information to the customer by taking feedback from them, and by controlling the back office operations where the services are finished.

#### **- Responsiveness**

The responsiveness level in chapter four was a moderate – degree dimension, with only a one item out of three, which indicates that the customers don't accept if the bank employees were

busy to respond to them promptly. The overall awareness of the employees about the service quality concept should be increased in the banks in order to understand these cases so the employees can deal with them better, especially that the customer awareness is increasing too. Moreover, the service quality standards should be announced in the bank branches and all the bank digital channels, so the customers know how they should be treated, and the employees stick to these standards, which create a sense of transparency.

#### - **Assurance**

The overall assurance dimension got a high degree, but only its third item got a moderate degree. This result confirms that customers think that the bank employees don't get the adequate support to do their jobs, which means that customers can really feel what is happening in the back office of the bank. Banks should adopt the service quality concept among all its departments (Business departments and support departments). If this culture was distributed effectively, the whole processes and operations of the bank will flow easily, as the main goal for all departments is the customer experience. If this was achieved, it will be felt by the customers through the quick services and the different tools that are available to the front – liners. As a result, customers will feel and experience the strong and organized processes and services. Moreover, this weakness negatively affects the image of the bank, and shows that the bank is not supporting their front-liners and not giving them the reasons to provide the best service, which directly affect the customer experience.

#### - **Empathy**

The empathy dimension got a moderate level. It contains four dimensions, three of them are moderate. As what was mentioned in chapter four, customers are being more aware about the service quality and customer experience concepts. The empathy details are known and expected

by them also. They do notice if the bank give them the attention they need, and they expect to feel the bank's willing to help them in their problems. Moreover, they even expect the employees to understand their needs and satisfy them. In addition to the previous recommendations about training the employees about the service quality concepts, controlling tools should be done by the service quality department to assure that this item and the other previous ones are applied. For example, Mystery shopper program, collecting feedback from customers, and so on. In addition, the researcher recommends that the service quality concept should be a main section the employees hiring process, especially for the front – liners.

### **5.1.3 Customer Involvement Dimensions**

According to chapter four, the customer involvement dimension got a high degree, except it's last item which was moderate. This shows that customers don't prefer to make an effort to read the information about the bank compared to their likelihood to communicate directly with the employees. Moreover, the bank employee can't provide general information every time because the service time will be much longer. So, the recommendation here is to provide customers with an introducing video for every new customer that explains all the bank information about the services and locations in an entertaining way. These kinds of introducing videos can be turned on to the customers in the branch to provide a customized experience to them, and can be distributed through the online platforms and social media. Moreover, the researcher recommends banks to engage the customers in the service development process by keeping the contact channels open, and collecting continuous notes and feedback, or by conducting focus groups to discuss the services.

## **5.2 Discussion About Research Hypotheses**

The main result in the research hypotheses indicates that there is a significant relationship between the digital customer experience and its dimensions with the service quality, while the existence of the customer involvement as a mediating variable.

Moreover, results show a significant impact of digital customer experience on customer involvement, and significant impact of customer involvement on service quality.

## **5.3 Conclusion**

The aim of this Thesis has been to look for new theoretical contributions that may clarify the true impact of digital customer experience and its dimensions on banking service quality in the Palestinian banking industry. The Researcher's main argument is that the digital customer experience used by banks in Palestine plays a positive role on service quality, and customer involvement has a mediating role in this relationship.

The results of this Thesis showed that there is a moderate level in the application of digital customer experience and its dimensions in the banking industry in Palestine. The study pointed out that the digital customer experience and service quality plays a significant role in the banking sector in Palestine. The study also showed that there is a statically strong relationship between digital customer experience and its dimensions: informative experience, entertaining experience, social presence experience, sensory appeal experience, convenience, perceived risk, and perceived usability.

## **5.4 Limitations**

This research suffered from some limitations. The first obstacle was that 41% of the sample are between 30 -40 years old, which concentrates the results in a specific age segment. Moreover, the population is very huge, the sample included customers from different banks in

west bank and Gaza but it still hard to cover all the geographical areas in Palestine. In addition, COVID-19 has become a barrier lately in the communication and mobility.

## **5.6 Recommendations and Future Studies**

In this section, the researcher provides some suggestions for banking industry in Palestine, in order to help them improve the current digital experience for their customers. These suggestions are developed from data analysis results in chapter four and mainly based on the impact digital customer experience on banking service quality. Below are suggestions accordingly.

Banks are recommended to develop the digital channels and turn them from a rigid tool for banking to an interactive tool that let the customers rely more on it instead of the offline channels. They need to add entertaining factors to increase the usage time of these channels and decrease the branches footfall, which will definitely reduce costs and increase effectivity. Moreover, banks are recommended to add some features that provide human sense and sensory appeal like interactive chats where customers can talk to employees through those channels immediately without having to visit the branches. These technologies are applied internationally but still not available in most of the banks in Palestine.

In addition, banks are recommended to decrease the risk of using their digital channels in terms of performance, security, privacy, and many other factors, because these risks prevent some types of customers from relying on these channels. They also advised to increase the level of the digital channels performance to provide ease of usability to their customers, which will encourage them to use these channels more.

Researcher also recommends banks to provide more attention to the service quality concept through establishing special departments of service quality and customer experience because

its not available in all banks in Palestine, and to work more in engaging customers in the product and service development process.

For future research, some researchers could examine the effect of the digital customer experience on another variable and a different mediator, for example, the effect of digital customer experience on the customer relationship management. Moreover, the sample could be the banks themselves in terms of strategies and internal management.

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**Appendix (1): English Version of Questionnaire**

**الجامعة العربية الأمريكية**  
**ARAB AMERICAN UNIVERSITY**

**Dear Respondent,**

This study aims to examine the effect of digital customer experience on banking service quality, with the mediating role of customer involvement, in order to complete the requirements for obtaining a master's degree in Strategic Planning and Fundraising from Arab American University.

These data will remain confidential and won't be used expect for scientific research purposes. Please, answer the following questions based on your opinion.

**Best,**

**Researcher:**

**Salma Saleh Rabi**

**Supervisor:**

**Dr. Raed Ireqat**

**Section 1: General Information**

A1	Gender	<input type="checkbox"/> Male <input type="checkbox"/> female
A2	Age	<input type="checkbox"/> Less than 30 <input type="checkbox"/> 30-40 <input type="checkbox"/> 41-50 <input type="checkbox"/> more than 50
A3	Occupation	<input type="checkbox"/> Business man <input type="checkbox"/> Governmental employee <input type="checkbox"/> Private sector employee <input type="checkbox"/> Craftsman <input type="checkbox"/> Farmer <input type="checkbox"/> Retired <input type="checkbox"/> Other
A4	Nationality of the bank you deals with	<input type="checkbox"/> Local <input type="checkbox"/> Foreigner
A5	The educational level	<input type="checkbox"/> Primary <input type="checkbox"/> High school <input type="checkbox"/> Diploma <input type="checkbox"/> Bachelor <input type="checkbox"/> Postgraduate studies

A6	Number of years dealing with the bank	<input type="checkbox"/> Less than 1 year	<input type="checkbox"/> 10-5	
		<input type="checkbox"/> From 1-3	<input type="checkbox"/> 10-15	
		<input type="checkbox"/> 3-5	<input type="checkbox"/> more than 15 years	
A7	Salary	<input type="checkbox"/> Less than 1000	<input type="checkbox"/> 1001-2000	<input type="checkbox"/> 2001-3000
		<input type="checkbox"/> 3001-4000	<input type="checkbox"/> 4001-5000	<input type="checkbox"/> more than 5 years

## Section 2: Digital Customer Experience

No.	Statement	Strongly agree	agree	neutral	disagree	Strongly disagree
<b>B1 Informative Experience</b>						
B1.1	Information obtained from the product page is useful.					
B1.2	learned a lot from using the product page. I think the					
B1.3	information obtained from the product page is helpful.					
<b>B2 Entertaining Experience</b>						
B2.1	The bank digital channels are funny					
B2.2	The bank digital channels are enjoyable					
B2.3	The banking digital channels are very entertaining					
<b>B3 Social presence Experience</b>						
B3.1	There is a sense of human contact in the web page.					
B3.2	There is a sense of human warmth in the web page					
B3.3	There is a sense of human sensitivity in the web page					
<b>B3 Sensory Appeal Experience</b>						
B4.1	The product presentation on this web page is lively					
B4.2	I can acquire product information on this web page from different sensory channels.					
B4.3	This web page contains product information exciting to senses.					
<b>B5 Convenience</b>						

No.	Statement	Strongly agree	agree	neutral	disagree	Strongly disagree
<b>B5.1</b>	There is an easy access to the digital channels of the bank					
<b>B5.2</b>	It is easy to search for the digital channels of the bank					
<b>B5.3</b>	The evaluation of the digital channels of the bank is excellent					
<b>B5.4</b>	The digital channels of the bank provide the ability to make easy transactions					
<b>B5.5</b>	It's easy to sign up to the digital channels of the bank					
<b>B6 Perceived Risk</b>						
<b>B6.1</b>	The performance of the digital channels of the bank is as expected by the customers					
<b>B6.2</b>	The Customers feel safe financially when using the bank digital channels					
<b>B6.3</b>	The local social norms supports using the digital channels of the bank					
<b>B6.4</b>	The customers expect to waste time when they have to repair or reuse the digital channels of the bank if there is a failure in the first attempt					
<b>B6.5</b>	The digital channels of the bank are used successfully as it is expected by the customers					
<b>B6.6</b>	The customers lose privacy when using the digital channels of the bank					
<b>B7 Perceived Usability</b>						
<b>B7.1</b>	I think that I would like to use the digital channels of the bank frequently					
<b>B7.2</b>	I found the digital channels of the bank unnecessarily complex					

No.	Statement	Strongly agree	agree	neutral	disagree	Strongly disagree
<b>B7.3</b>	I thought the digital channels of the bank was easy to use					
<b>B7.4</b>	I think that I would need a support of a technical person to be able to use the digital channels of the bank					
<b>B7.5</b>	I found the various functions in the digital channels of the bank were well integrated					
<b>B7.6</b>	I thought there was too much inconsistency in the digital channels of the bank					
<b>B7.7</b>	I would imagine that most people would learn to use the digital channels of the bank very quickly					
<b>B7.8</b>	I felt very confident using the digital channels of the bank					
<b>B7.9</b>	I needed to learn a lot of things before I could get going with the digital channels of the bank					

### Section 3 Service Quality

No.	Statement	Strongly agree	agree	neutral	disagree	Strongly disagree
<b>C1 Reliability</b>						
<b>C1.1</b>	When the bank promise to do something by a certain time, they do so					
<b>C1.2</b>	When customers have problems, the bank is sympathetic and reassuring					
<b>C1.3</b>	The bank is dependable					
<b>C1.4</b>	The bank provide its services at the time it promises to do so					
<b>C1.5</b>	The bank keeps its records accurately					

No.	Statement	Strongly agree	agree	neutral	disagree	Strongly disagree
<b>C2 Tangibility</b>						
C2.1	The bank has up-to-date equipment					
C2.2	The physical facilities are visually appealing					
C2.3	The employees are well dressed and appear neat					
C2.4	The appearance of the physical facilities of the bank is in keeping with the types of services provided					
<b>C3 Responsiveness</b>						
C3.1	The bank is expected to tell customers exactly when services will be performed					
C3.2	It's realistic for customers to expect prompt service from employees of the bank					
C3.3	The bank employees always have to be willing to help customers					
C3.4	It is okay if the bank employees are too busy to respond to customer requests promptly					
<b>C4 Assurance</b>						
C4.1	Customers are able to trust the employees of the bank					
C4.2	Customers feel safe in their transactions with the bank's employees					
C4.3	The bank's employees are polite					
C4.4	The employees get adequate support from the bank to do their jobs well					
<b>C5 Empathy</b>						
C5.1	The bank gives customers individual attention					
C5.2	Employees of the bank are expected to give customers personal attention					

No.	Statement	Strongly agree	agree	neutral	disagree	Strongly disagree
<b>C5.3</b>	It's realistic to expect employees to know what the needs of their customers are					
<b>C5.4</b>	It's realistic to expect the bank to have its own customers' best interests at heart					
<b>C5.5</b>	Bank employees shouldn't be expected to have operating hours convenient to all their customers					

**Section 4: Customer Involvement**  
**D Customer Involvement**

No.	Statement	Strongly agree	agree	Neutral	disagree	Strongly disagree
<b>D1</b>	The customer–employee interactions are very important to me					
<b>D2</b>	The customer–employee interactions mean a lot to me					
<b>D3</b>	The customer–employee interactions are very relevant to me					
<b>D3</b>	I am highly involved in reading information about banking services					

**Thank You**

## Appendix (2): Arabic Version of Questionnaire



## الجامعة العربية الأمريكية ARAB AMERICAN UNIVERSITY

أخي الكريم/ أختي الكريمة،  
تحية طيبة و بعد،

تهدف هذه الدراسة الى التعرف على أثر تجربة العملاء الرقمية على جودة الخدمة المقدمة في القطاع المصرفي الفلسطيني: الدور الوسيط لمشاركة الزبائن، وذلك استكمالاً لمتطلبات برنامج الماجستير في التخطيط الاستراتيجي وتجديد الأموال - الجامعة العربية الأمريكية. علماً بأن جميع البيانات المستخلصة من استمارة الدراسة سوف تستخدم لأغراض البحث العلمي فقط، وعليه، يرجى من حضرتكم التكرم بتقديم الإجابات وفقاً لآرائكم وتجربتكم الشخصية بكل صدق و موضوعية. و تفضلوا بقبول فائق الاحترام و التقدير

الباحثة: سلمى الرابي  
اشراف: د. راند عريقات

القسم الأول: معلومات عامة (يرجى التكرم بوضع اشارة X أمام الاختيار المناسب)

A1	الجنس	<input type="checkbox"/> أنثى	<input type="checkbox"/> ذكر
A2	الفئة العمرية	<input type="checkbox"/> أقل من 30 عام	<input type="checkbox"/> 30 – 40 عام
A3	المهنة	<input type="checkbox"/> أعمال حرة	<input type="checkbox"/> أكثر من 50 عام
A4	جنسية البنك الذي تتعامل معه	<input type="checkbox"/> محلي	<input type="checkbox"/> موظف حكومي
A5	نوع البنك	<input type="checkbox"/> تجاري	<input type="checkbox"/> متقاعد
A6	المستوى التعليمي	<input type="checkbox"/> ثانوية فأقل	<input type="checkbox"/> أخرى
A7	عدد سنوات التعامل مع البنك	<input type="checkbox"/> أقل من عام واحد	<input type="checkbox"/> دبلوم
A8	مستوى الدخل	<input type="checkbox"/> أقل من 2000 شيكل	<input type="checkbox"/> دراسات عليا
		<input type="checkbox"/> 10 – 5	<input type="checkbox"/> 5 – 1
		<input type="checkbox"/> أكثر من 15 عام	<input type="checkbox"/> 15 – 10
		<input type="checkbox"/> أقل من 2000 شيكل	<input type="checkbox"/> 3999 – 2,000
		<input type="checkbox"/> 4000 – 5999 شيك	<input type="checkbox"/> أكثر من 6,000 شيكل

القسم الثاني: تجربة العملاء الرقمية

القنوات الالكترونية البنكية: هي الوسائل التكنولوجية التي يتم من خلالها الحصول على الخدمات البنكية بدون الاضطرار الى زيارة البنوك، مثل: مركز الاستعلامات / الاتصال، الصرافات الآلية، البطاقات، خدمة الرسائل القصيرة، الانترنت البنكي، الموقع الالكتروني، تطبيق الهاتف، وغيرها من الوسائل.

(يرجى التكرم بوضع اشارة X أمام الاختيار المناسب)

الرقم	العبرة	أوافق بشدة	أوافق	محايد	لا أوافق	لا أوافق بشدة
<b>المعلوماتية</b>						
B1.1	المعلومات المتوفرة على القنوات الالكترونية البنكية مفيدة					
B1.2	أشعر بأنني احصل على معظم المعلومات التي احتاجها من خلال القنوات الالكترونية البنكية					
B1.3	المعلومات المتوفرة على القنوات الالكترونية البنكية تساعدني في ما ابحث عنه					
<b>المتعة</b>						
B2.1	اشعر بالمتعة عند استخدامي للقنوات الالكترونية البنكية					
B2.2	القنوات الالكترونية البنكية تشعرني بالفرح					
B2.3	القنوات الالكترونية البنكية مسلية جدا					
<b>الجانب الاجتماعي</b>						
B3.1	القنوات الالكترونية البنكية تشعرني بانني اتعامل مع موظفين حقيقيين					
B3.2	القنوات الالكترونية البنكية تشعرني بتعاطف الموظفين الحقيقي					
B3.3	القنوات الالكترونية البنكية تشعرني بحساسية الموظفين الحقيقية					
<b>الجانب الحسي</b>						
B4.1	أعتقد بأن طريقة عرض الخدمات البنكية على القنوات الالكترونية حيوية					
B4.2	استطيع الحصول على المعلومات المتوفرة على القنوات الالكترونية البنكية من خلال القنوات غير الالكترونية مثل الفروع					
B4.3	أعتقد بأن المعلومات المتوفرة على القنوات الالكترونية البنكية جذابة					
<b>الراحة</b>						
B5.1	أستطيع الوصول الى الخدمات الالكترونية البنكية بسهولة					
B5.2	استطيع التسجيل في القنوات الالكترونية البنكية بسهولة					
B5.3	استطيع الدخول الى القنوات الالكترونية البنكية بسهولة					
B5.4	أعتقد بأن القنوات الالكترونية البنكية ممتازة					
<b>المخاطرة</b>						
B6.1	آلية عمل القنوات الالكترونية البنكية تماما كما أتوقع					
B6.2	أشعر بالامان على اموالي عند استخدام قنوات البنك الالكترونية					
B6.3	العادات والثقافة المحيطة تشجع استخدامي للقنوات الالكترونية البنكية					
B6.4	لا أشعر بضياح الوقت عند وجود خلل أثناء استخدامي للقنوات الالكترونية البنكية					
B6.5	أرى بأن أداء القنوات الالكترونية البنكية جيد كما أفترض أن يكون					
B6.6	لا أرى بأنني اخسر خصوصيتي عند استخدام القنوات الالكترونية البنكية					
<b>الاستخدام</b>						
B7.1	ارغب باستخدام القنوات الالكترونية البنكية باستمرار					

				لا أرى بأن القنوات الالكترونية البنكية معقدة	B7.2
				أرى بأن القنوات الالكترونية البنكية سهلة الاستخدام	B7.3
				أرى بأنني احتاج مساعدة شخص مختص بالانظمة للتعامل مع القنوات الالكترونية البنكية	B7.4
				أرى بأن مختلف الخدمات التي تقدمها القنوات الالكترونية البنكية مترابطة بشكل جيد	B7.5
				أرى وجود تطابق ما بين قنوات البنك الالكترونية	B7.6
				أرى بأنني سأتمكن استخدام القنوات الالكترونية بشكل سريع	B7.7
				أشعر بالثقة بالنفس عند استخدام الخدمات الالكترونية للبنك	B7.8
				أرى بأنني بحاجة الى تعلم الكثير مما يتعلق بالتكنولوجيا قبل ان ابدأ باستخدام القنوات الالكترونية البنكية	B7.9

## القسم الثالث: جودة الخدمة

(يرجى التكرم بوضع اشارة X أمام الاختيار المناسب)

الرقم	العبارة	أوافق بشدة	أوافق	محايد	لا أوافق	لا أوافق بشدة
<b>المصادقية</b>						
C1.1	يلتزم البنك بأوقات انجاز الخدمات التي يصرح عنها					
C1.2	أرى بأنني استطيع الاعتماد على البنك					
C1.3	يلتزم البنك بتقديم خدماته كما هو متفق عليه					
C1.4	يحفظ البنك بسجلاته بشكل دقيق					
C1.5	أتوقع من البنك أن يبلغني بشكل دقيق حول الوقت الذي ستستغرقه الخدمات					
<b>الملموسية</b>						
C2.1	يستخدم البنك معدات حديثة					
C2.2	ديكور ومرافق البنك جذابة					
C2.3	موظفو البنك أنيقون وذوو مظهر جيد					
C2.4	مظهر البنك متلائم مع أنواع الخدمات المقدمة					
<b>الاستجابة</b>						
C3.1	من الطبيعي ان اتوقع استجابة فورية وخدمة سريعة من البنك					
C3.2	أعتقد بأن موظفي البنك يبذلون الاستعداد الدائم لتقديم الخدمة والمساعدة					
C3.3	من الطبيعي ان يكون موظفو البنك مشغولون ولا يقومون بتقديم الخدمة والاستجابة بشكل فوري					
<b>الثقة</b>						
C4.1	استطيع أن اثق بموظفي البنك					
C4.2	أشعر بالامان عند التعامل مع موظفي البنك					
C4.3	موظفو البنك مؤدبون					
C4.4	يحصل موظفو البنك يحصلون على دعم كاف من مؤسستهم ليقوموا بخدمة العملاء بالشكل الامثل					
<b>العطف</b>						
C5.1	عندما يواجه العملاء مشاكل، يبدي البنك التعاطف					
C5.2	يولي موظفو البنك اهتمام خاص لكل عميل					
C5.4	من الطبيعي ان اتوقع ان يعرف موظفو البنك احتياجاتي					
C5.5	من الطبيعي ان اتوقع ان يضع البنك اهتماماتي ضمن اولوياته					

					من الطبيعي ان لا يكون جميع وقت خدمة العملاء مريح للموظفين	C5.6
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القسم الرابع: مشاركة العميل  
(يرجى التكرم بوضع اشارة X أمام الاختيار المناسب)

الرقم	العبرة	أوافق بشدة	أوافق	محايد	لا أوافق	لا أوافق بشدة
<b>مشاركة العميل</b>						
D1	التواصل بيني وبين موظف البنك مهم بالنسبة لي					
D2	التواصل بيني وبين الموظف يعني لي الكثير					
D3	التواصل بيني وبين الموظف قريب من شخصيتي					
D4	اقوم عادة بقراءة المعلومات التي تتعلق بالخدمات البنكية					

شكرا لحسن تعاونكم

**Appendix (3): Evaluators List**

<b>Name</b>	<b>Contact Information</b>	<b>Academic Rank</b>	<b>Affiliation</b>
Dr. Ahmad Hirzallah	ahirzallah@staff.alquds.edu/0599255448	Assistant Professor	Al-Quds University
Dr. Attieh Musleh	amusleh@qou.edu/0599678746	Associate Professor	Al-Quds Open University
Dr. Emad Wald-Ali	Emad.waladali@aaup.edu/0599745643	Assistant Professor	<a href="#">Arab American University</a>
Dr. Shahir Obaid	sobaid@qou.edu/0599252615	Associate Professor	Al-Quds Open University
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## الملخص

مع ازدياد التنافس العالمي في بيع السلع والخدمات بسبب توفرها ووفرتها في أي مكان وزمان، وتشابه الخدمات المقدمة، خاصة في مجال البنوك والمؤسسات المصرفية، أصبحت جودة الخدمات هي ما يميز هذه المؤسسات ويعزز العلاقة مع عملاءها. ويبرز هذا التميز من خلال تجربة العميل مع المؤسسة عبر جميع قنوات التواصل المادية والالكترونية. وقد فرض التطور التكنولوجي في معظم مناحي الحياة ضرورة استخدام التكنولوجيا لتسهيل الخدمات البنكية المقدمة وتوفيرها للعملاء بسرعة وفي اي وقت ومكان، بهدف تقديم تجربة مميزة وبالتالي زيادة رضا العملاء.

من هنا، تهدف هذه الدراسة الى فهم تأثير تجربة العملاء الرقمية على جودة الخدمة المقدمة في البنوك الفلسطينية، والدور الوسيط لمشاركة العملاء. تم قياس العلاقة بين هذه المتغيرات من خلال جمع البيانات الأساسية والثانوية من مصادر مختلفة، والتي اشتملت مفاهيم هذه المتغيرات، محاورها، أهميتها، وعلاقتها بمفاهيم أخرى من خزل الرجوع الى دراسات وابحاث متعددة.

اعتمدت هذه الدراسة على استخدام الأسلوب الكمي في الإجابة على اسئلة وفرضيات الدراسة، حيث قامت الباحثة بتعريف مجتمع الدراسة على أنه جميع عملاء البنوك العاملة في فلسطين والبالغ عددها ما يقارب 1,200,000 عميل، وتم اختيار عينة غير عشوائية تتكون من 384 مشارك. تم الاعتماد على الاستبانة كأداة رئيسية في الدراسة، حيث تكونت الاستبانة من: القسم الأول وهو قسم المتغيرات الديموغرافية. القسم الثاني يقيس تجربة العملاء الرقمية، ويتكون من سبع محاور. أما القسم الثالث من الاستبانة مخصص لقياس جودة الخدمة من خلال خمسة محاور، والقسم الرابع مخصص لقياس مشاركة العميل ويتكون من اربعة محاور: الأهمية، المعنى، العلاقة، وقراءة المعلومات.

استخلصت الدراسة عدد من النتائج اهمها وجود ضعف في تطبيق مفهوم تجربة العملاء الرقمية وابعاده في القطاع المصرفي الفلسطيني. كما وأشارت الدراسة ايضا الى وجود علاقة احصائية قوية ما بين تجربة العملاء الرقمية ومحاورها: المعلوماتية، الترفيهية، الاجتماعية، الحسية، الراحة، الاستخدام، والمخاطرة. بالإضافة الى ذلك، وجدت الدراسة تأثير واضح لتجربة العملاء الرقمية على جودة الخدمة المقدمة في القطاع المصرفي الفلسطيني.

خرجت الدراسة بعدد من التوصيات ستؤثر على القطاع المصرفي في فلسطين للتحسين من تجربة العملاء الرقمية وتأثيرها على جودة الخدمة المقدمة، أهمها توصية البنوك بإخراط عملاءها في عملية تطوير وتحسين الخدمات، بالإضافة الى تحسين المستوى التقني والتكنولوجي لقنوات الاتصال الالكترونية في البنوك وتدعيمها بخصائص ترفع من نسبة استخدامها.

كلمات مفتاحية: تجربة العملاء الرقمية، جودة الخدمة، القنوات البنكية الالكترونية، رضا العملاء.