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**Electronic Banking Strategies and their Impact on
Customers' satisfaction:
Empirical Evidence from Palestine.**

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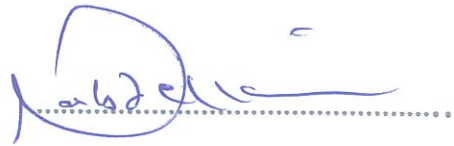
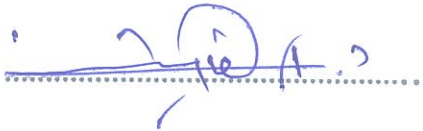

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DECLARATION

I declare that the content of this thesis is my own research work, unless otherwise referenced. I certify that this does not contain any material published before by another person or has been submitted elsewhere for any degree qualifications

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Date: February 28, 2019.

DEDICATION

This thesis is dedicated to:

The sake of Allah, my Creator and my Master,

My great teacher and messenger, Mohammad (PBUH),

My homeland Palestine,

The Arab American University – Palestine.

My Supervisor Dr. Naser AbdelKarim and all Academic staff at Arab American University.

My great parents, who give me the strength to proceed,

My dearest wife, who give me the light of hope and support,

My beloved kids: Hoor and Sara,

My beloved brothers and sisters,

To all my family, the symbol of love and giving,

My friends who encourage and support me,

All the people in my life who touch my heart,

I dedicate this study.

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ABSTRACT

Digital banking could be a new era for banks in Palestine. Electronic banking services have become an essential part of the banking services in most of the banks in Palestine, along with the traditional banking represented by the physical branches. With time passing, more banks in Palestine are moving towards Electronic Banking services by: utilizing the advancement in the Information and telecommunication technology, enhancing the customer experience and satisfaction, and increasing the efficiency of the banking services, since electronic banking services could be available 24/7, with no restrictions on the working hours, and at the same time minimizing the operational cost.

This study examines the relationship between electronic banking services in Palestine, and customer satisfaction in using it. The study main question is: “*What is the impact of the electronic banking strategies on customers’ satisfaction in Palestine banking sector?*” The study uses a methodology to answer this question, which contains two major components: a) A survey designed that targeted 347 banks’ customers in 8 banks in Palestine, those are having at least one Electronic banking services and are using it. Includes five main parameters, which could be influenced on the customers’ satisfaction b) Direct interviews on the bank's future strategies towards Electronic banking services and the reasons behind following these strategies with the Top management of two major banks in Palestine (Arab Bank and Bank of Palestine).

With introducing the Third generation of wireless internet (3G) service in Palestine, the internet became easier to access and available all the time. Along with the availability of traditional wireless network in the bank itself, the banking systems in Palestine are moving quickly toward digitalization, which has been approved by the bank's strategies since many years ago.

This study finds several interesting findings, one of these findings is the significant positive relationship between electronic banking strategies (Electronic banking services) and customer satisfaction in using these services. Thus, the study null hypothesis was rejected and the alternative hypothesis was accepted. This finding will be guiding the banks in Palestine to build further strategies, which electronic banking services consider as an essential part of them, to be able to survive, compete and advance in the coming years. And to achieve one of their top objectives by attracting and keeping their customers for life.

Keywords: Electronic Banking (E-Banking), Information and Telecommunication Technology (ITC), Customer Satisfaction, Electronic banking strategies, Palestine Banking sector

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CHAPTER I: INTRODUCTION

1.1 GENERAL OVERVIEW

Information and Communication Technology (ICT) is significantly transforming most businesses to become technologically friendly. Currently, we have reached the fourth stage of the Technology Revolution, which includes the automation of most processes in the sector of business, education, economy, Etc. And rising new technologies such as the Internet of Things (IoT), Self-driving cars, etc. The Banking sector is not an exception, it is also undergoing profound transformation processes. Banking worldwide has been transforming into electronic banking, utilizing from the advancement in technology, which varied from one country to another. Some banks moved completely from traditional banking to digital banking, others moved to digital banking but keeping the traditional banking as another option. However, in both options, the Internet access is essential for executing banking transactions, as for the availability and the quality of Internet service are different from one country to another, and from one bank to another.

Thulani et al. (2009): The term Electronic banking “*refers to systems and processes that enable customers to get access to their bank accounts and to receive information on products and services*” Nowadays bank customers are able to access to all bank services via the Internet. **Thulani et al. (2009):** “*They do interact with banks without the intervention of or inconvenience of sending letters, faxes, original signatures and telephone Conformations*” According to **Keivani et al. (2012)**, Electronic banking is “*an umbrella term for the process by which a customer may perform banking transactions electronically without visiting a brick-and-mortar institution*”.

Applying the electronic banking strategy contains two main elements, first one is the customer's reliability in the electronic banking, the Second one is the electronic banking services itself, how safe and available in providing different banking solutions

According to The Palestine Monetary Authority (2018): Palestine Banking sector has fourteen legal banks introducing the banking services in the West Bank and Gaza, 7 local banks and 7 foreign banks, most of them have started the move into electronic banking services side by side with the traditional banking, through the existing physical branches inside Palestine. The study recognized that all banks are offering Automatic Teller Machines (ATMs) and Internet banking , approximately half of them are offering mobile banking and some others are offering online banking side by side with existing physical branches network in the West Bank and Gaza.

One of the strategic goals of the banks is to attract new customers and retain the existing as much as possible. The key in achieving that is the trust relationship between the banks and their customers since the trust is one of the bank's most valuable assets. Which is directly effects on the bank's reputation that is built over time, through the customer's lifecycle with the bank. The more the customer is satisfied with the the bank's services, the more he/she is satisfied with the bank, and vice versa.

1.2 PROBLEM STATEMENT

The main research question of this study is : “*What is the impact of electronic banking strategies on the customers’ satisfaction in Palestine?*” This question will be investigated and answered from two perspectives: The first is the perspective of banking customers themselves and how much they are satisfied with electronic banking (E-Banking). The second is from the perspective of the banks’ administration and how they find the benefits for the banks in offering the E-banking services for their customers from cost, operations efficiency, and customer relations perspectives.

This will be a guide for the banks. if they intend to go over the electronic banking services, They will have to increase the investment in these electronic solutions, when opening or expanding the physical bank branch, if they need to maintain the old fashion traditional banking method, since the customers in Palestine may still prefer visiting the banks and execute the banking transactions face to face with the bank's employees.

All the banks in Palestine, not only those offering electronic banking services for their customers, need to know the customers feedback on the electronic banking services upon their usage and experience. This feedback might be changing the banks’ strategies in the coming years. The customers’ decisions to have a banking relationship with a bank rather than another might be influenced by not only the quality of services in the banks’ branches but also the electronic banking services that meet the customers’ needs 24/7.

1.3 STUDY OBJECTIVES

The study's main objective is to fill the knowledge gap, due to the limited previous studies conducted this subject in Palestine. This will be done by achieving the following sub-objectives:

- Examining the impact of Electronic banking on customers' satisfaction targeting the 14 banks working in Palestine, under the umbrella of Palestine Monetary Authority (PMA 2018).
- Having a clear overview of the Banks' Management strategies and Plans towards electronic banking in Palestine, by conducting interviews with selective banks.
- Having a clear understanding of the main factors, which might be influencing the customer's satisfaction level toward electronics banking services, these factors used in the research design and on the questionnaire's questions.
- Helping the Banks' Management to know where to focus in enhancing their electronic banking services from one hand, and how to motivate and encourage their customers to transfer from the traditional banking service to the electronic banking services on the other.
- Guiding all the key stakeholders (the banks, the Palestine Monetary Authority, and Palestine Government), in developing their future strategies, regarding the electronic banking services and financial services, for better coordination and better results for the end users (Customers).

1.4 SCOPE AND SIGNIFICANCE OF THE STUDY

The scope of the study will be on the 14 banks working in Palestine (pma.ps 2018), and this will demonstrate the impacts of the banking sector, regardless to the differences in the service between the banks. This may affect the coming approach and plans of Palestine Monetary Authority (PMA) and the next actions to be taken. The study had been prepared between July 2018 and December 2018. The study targets the banks' customers from the West bank and Gaza strip.

The study is limited to four main electronic banking services, which are Automatic Teller Machine, Internet Banking, Phone Banking, and Mobile Banking. Others payments' services, payments' systems, and cards services were not covered in this study.

The significance of this study is coming from many aspects:

- The study topic is arguable, due to the arisen of digital banking systems and FinTech companies.
- The study conducts two major issues in the banks, the first is the bank's services quality, availability and cost efficiency. The second is the customers. The tough competition between the banks in Palestine market is pushing them to continue improving the products and services from one hand and creating clever banking solutions for their customers from other hand. In order to increase the customers' base and keep the customers satisfied and loyal to the bank.
- The study combines two effective methodologies, the Interviews and a questionnaire. This will provide a better understanding of the subject from the banks' Management perspective and the customers' perspective.
- The study results are essential for all stakeholders includes: The Banks, PMA, Palestine Government, Global Regulators, and the Banks' customers.

1.5 THE STUDY HYPOTHESES

Based on the study main question, and all the previous studies. The study has one main hypothesis and five sub-hypotheses, as follow:

- **Main Hypothesis:** to examine the correlation between customer's satisfaction and electronic banking.

H₀: There is no significant positive impact on the customer's satisfaction for electronic banking.

H₁: There is a significant positive impact on the customer's satisfaction for electronic banking.

- **Sub-Hypotheses:** to examine the correlation between the five main variables in research design and customers satisfaction.

H₁₋₁: Electronic banking Ease of use has a significant positive effect on the customer's satisfaction.

H₁₋₂: Electronic banking being reliable has a significant positive effect on the customer's satisfaction.

H₁₋₃: Electronic banking Information security and privacy have a significant positive effect on the customer's satisfaction.

H₁₋₄: Electronic banking cost and fees have a significant positive effect on customer's satisfaction.

H₁₋₅: Electronic banking availability has a significant positive effect on customer's satisfaction.

CHAPTER II: LITERATURE REVIEW

There are many International studies and researches have examined the electronic banking services and customer satisfaction in banking sectors in many countries worldwide . Either in the developing or in the developed countries. This is an indicator of the importance of this issue. Considering that the adoption of electronic banking services are increasing with time worldwide.

This chapter will examine two main concepts, which are Electronic banking (E-Banking) and Customer Satisfaction (CS), the Previous researches and studies and finally Palestine banking sector overview.

2.1 CONCEPTUAL FRAMEWORK

In order to be able to understand and investigate the relationship between electronic banking (E-Banking) and the customer's satisfaction, the study will examine these two concepts separately:

2.1.1 ELECTRONIC BANKING (E-BANKING) CONCEPT

Regarding the E-Banking, there are many studies have defined it, accordingly will move over some of them.

Raza et al. (2015) “E-banking allows customers to inquire information and carry out most banking services such as account balance inquiry, bill-payment and inter-account transfers through the internet”

AL-Zahrani (2015) defined the term “Electronic Banking” or “e-banking” as is remote banking services provided by authorized banks, or their representatives through devices operated either under the bank's direct control and management or under the outsourcing agreement.

O. Addai et al. (2015) E-Banking is giving the customer an opportunities to access and use the banking services from their homes or offices instead of in the branches, and such access either from the personal computer of the mobile phones with an internet connection. In addition, E-banking enables the customer to do banking anywhere anytime available 24/7. Such as money transfer, bill payment and request a loan.

Daniel (1999) defines electronic banking as the delivery of banks services by the bank to the customer through a different platform that can be used by different terminal services such as personal computer, mobile phones with browsers, telephone or digital TV.

Electronic Banking includes many services, which allows the customer to execute banking transactions electronically: The bank's website using any computer. Also, through the Automatic Teller Machine (ATM) allows the customer to execute banking transactions using the bank electronic system related to cash deposits, cash withdrawals, bill payments, fund transfer, and other financial transactions 24/7? and through the mobile, the customer access the bank's account and perform banking transaction via smartphone with an internet connection and bank's application fit with the device operating system either Android, IOS or any other operating system.

Thakur (2018) The impact of information technology has been investigated on the banking industry in India and how the technology advancing in the banking sector is compared with the traditional banking, as it became more efficient and less costly than the branches network from one side and it decreased the operating cost from another. The study also defined many terms related to electronic banking as follow:

There are several banking methods available, all were established from the Information Technology for the convenience of the client/customer, and rather physically going to the Bank: a) Telebanking: this is where the client/customer phones the bank's call center that is available 24/7, through a telephone answering machine to lead them to the service needed, and to answer calls for inquiries, questions, and non-cash transactions. b) Automatic Teller Machine (ATM): this is where the client/customer uses the automatic machines to perform all their bank transaction,

which is a computerized machine that distributed to be available for the bank's clients, so they can access the accounts, execute many banking transactions such as account inquiries, cash withdraws, account statements, fund transfer, bill payments and many more without the need to visit the bank's branch. c) E-Banking: this is where the client/customer uses the Bank's Internet website to do all the required bank transaction using their personal computer, knowing that all transactions are secured, using special firewall software, which minimizes any possible threats on exposing the confidential information. d) M-Banking: this is where the client/customer uses the mobile or smartphone, to perform banking transaction, all through software applications (Apps), the smartphone shall be connected to the internet services from the service provider.

Al-Otaibi et al. (2018) Mobile banking (M-banking) is another form of electronic banking as of Internet banking (E-banking) that allows the customer to access the banking services anywhere anytime and execute financial transactions over the mobile network. The advanced in the smartphone and the widespread and grow during the last 20 years, support the adopting of (M-banking) by the customers. And **Ovia (2005)**. Providing banking services to clients via the internet or mobile technology like the mobile phone, computers and the Automatic Teller Machines (ATM)

The study concludes the term electronic banking is the customer to perform banking transactions directly through the internet or a network using a computer, Laptop, Tablet, smartphones or any fit device anywhere and anytime without the need to visit the bank's branch physically.

2.1.2 CUSTOMER SATISFACTION (CS)

The other concept is customer satisfaction, which have been defined as follow :

Addai B.A (2015) there are three main factors affecting customer satisfaction, which are the availability, Convenience, and Reliability of the services.

Yi. (2018) The customer satisfaction is the key concept of the new marketing by meeting the customer needs and expectations, and it became the strategic goal for the firms for surviving and growing. Customer satisfaction not only helps the firms to attract new customers but also retaining the existing customers.

Hill (2017) Also “customer satisfaction is a measure of how your organization’s total product performs in relation to an asset of customer requirements. Explaining how to measure customer satisfaction in any industry and what affects the accuracy of those results. Indeed, there are two main factors; one of them is by asking the right questions, the other is asking the right people”

Oh (1999). “Service quality and customer value work together ad mediator toward the perception of customer satisfaction”

Adams et al. (2016) Customer satisfaction is an important issue for marketing and management especially in the service based industry, they are many indicators for customer satisfaction, one of them is repeated use of the product and services, the other one talking others regarding their experience positively, that leads to building customer loyalty . Service quality is a strategic tool that giving the firms or institution a competitive advantage over the competitors. The quality embedded in the product and services providing for the customers and it includes nine dimensions “reliability, clout, reputation, awareness, competitiveness, collaboration, accessibility, competence and assurance”, most of them have a direct intervention with the customer perceived service quality.

Kotler (2006) defined customer satisfaction, as “it’s a person’s feeling of pleasure or disappointment resulting from comparing a product's performance (outcome) in relation to his or her expectation” and the customer is key in this judgment.

Kumbhar (2011) a relationship was found between the customer satisfaction of the bank's products and services and the age, education, and profession of the customer, therefore, the bank needs to focus on enhancing the services quality, brand perception, and perceived value in order to have a higher level of customer satisfaction.

Customer satisfaction increases profits. But most companies are focusing on attracting new customers while disregarding the current customers, suddenly they will start losing them. So, the question is: why do we lose these customers? The “Customer Service Gap Model” is a tool that could indicate the reason, which is divided into five main gaps:

a) The promotional gap: when promoting or marketing a product or service, that raises the customer expectation, but when the promoted product or service does not match up with the actual product or service delivery, that causes customer disappointment. Therefore, the promotional campaigns should be clear and transparent, matching the customer's expectation. **b)** The Knowledge gap: not knowing the customer needs, will cause this gap to emerge. The ability to better understating of the customer needs will enable the company to introduce product and service that matches their needs. **c)** The Procedural gap: the customer needs are unmet, due to them management inability to meet these needs, due to their policies and procedures being the barrier to meet such need and quality of service. **d)** The Behavioral gap: this gap exposes the staff inadequate performance to present the customers' needs. **e)** The Perception gap: this gap exposes the customer expectations along with his/her perception, the only way to minimize the gap is to understand the needs of the customer, and in the same time knowing what their expectations are

2.2 PREVIOUS RESEARCHES AND STUDIES

In this section, the study will explain the previous related studies, results and conclusions. The previous studies include many countries in different banking sectors, as follow:

Swaminathan (2010) tried to measure the customer satisfaction on e-banking services, evaluate the e-banking status and the awareness level of internet banking by the customers of the banks, considering six main variables the privacy of information, easiness of use, Efficiency Responsiveness, reliability, and convenience. They applied the descriptive research method to analyze the relationship of customer satisfaction on e-banking and the offered services by the banks, considering customer awareness. E-banking “is the automated delivery of new and traditional banking products and services directly to the customer through electronic communication like a computer, ATMs, and internet websites. The study found that convenience, awareness, and responsiveness are influencing customer satisfaction. Most banking customers prefer to move to e-banking which leads that the banks need to enhance their services to increase customer loyalty and retention.

AlHaliq (2016) examined customer satisfaction with electronic banking services in Saudi Arabia in AlQassim region inside Saudi Arabia. The study examined the electronic banking adoption and customer satisfaction based on three main pillars, being easy to use information security, and the ability to control these services. The study concludes that the banks there should focus on customer’s awareness of electronic banking services and for them on how to use it. The banks also need to improve the efficiency of the electronic banking core system, by having more problem-solving to build the trust of customers towards the banks, and the banks need to enhance security for the customer to use electronic banking. In general, with full security and trust of the customer for electronic banking services, that will improve customer satisfaction.

Addai et al. (2015) investigated the impact of electronic banking services delivered for customers on Ghana, “Banking gives customers the opportunity to access banking services from the comfort of their homes and offices and also be able to do most of the transactions which would have been done in the banking halls. With the use of personal computer (PC) or even mobile phone with an internet connection, customers are able to carry out transactions such as cash withdrawals, payments of utility bills, transfers from one account to the other, viewing and printing of statements as well as a request for checkbooks on their traditional accounts”. The study aims are to evaluate the e-banking availability, convenience, and reliability and to find out the effect of e-banking services on customer satisfaction in the Ghanaian banking sector. The study analyzed the relationship between E-banking and customer satisfaction considering the three main dimensions, availability, Reliability, and Convenience. The study based on primary and secondary data sources from three banks in Ghana (Trust Bank Ghana Limited, Ecobank Ghana Limited, and Barclays Bank Ghana Limited), up to 150-sample size. The SPSS analysis showed a strong positive correlation between customer satisfaction and E-banking availability, convenience, and reliability.

The study also analyzed primary data using regression analysis, by creating a model to measure the customer satisfaction level considering three main independent variables: Convenient, availability and reliability of E-banking. It showed 72.5% of the dependent variable explained by independent variables. The regression model enabling the banks to improve customer satisfaction by enhancing the E-banking availability, convenience, and reliability by a specific percentage. In sum and based on the analyzed data. Most banks in the world, especially the developed countries are moving towards electronic banking services. In the Ghanaian banking sector, “it is evident that improved e-banking service delivery enhanced customer satisfaction”.

Ramadhan (2011) examined the customer adoption and customer satisfaction on internet banking services in Uganda’s banking sector, the study tried to decide the elements influencing on adoption level of internet banking by the customers and they found positive relationship from the collected and analyzed data from the questionnaire.” Internet banking is where a customer can access his or her bank account

via the Internet using Personal Computer (PC) or mobile phone and web-browser”. The quantitative data collected using a 5-point Likert scale questionnaire. The study concluded that internet banking and customer satisfaction have a significant positive relationship. Thus more awareness by related stakeholders is needed to increase the adoption of internet banking by the customers.

Raza et al. (2015) examined the relationship between the internet banking and customer satisfaction in Pakistan by using the service quality dimensions (SERVQUAL) model. The primary data collected from 400 users from the questionnaire included 30 items. The five factors were Assurance, Empathy, Reliability, responsiveness, and Tangibility, all to measure customer satisfaction. Based on the regression analysis the results show that tangibility, reliability, responsiveness, and assurance had a significant positive impact on customer satisfaction but empathy had a positive impact but not significant. The study recommended to enhance the internet banking platform and to improve the security to online banks usage, in additions of including more services in this channel and continues improvements. This will be increasing the customers’ comfort and confidence, also enhancing quality.

Ahmad (2011) investigated the impact of e-banking on the outcome of customer satisfaction in Jordanian commercial banks in Jordan, which includes 24 commercial banks. In order to know the factor may be influenced by the adoption level by the customers and how the customer satisfaction effect on the loyalty and Word-of-Mouth (WOM). The study took into consideration: accessibility, convenience, security, privacy, content, design, speed, fees, and charges that may have an influence on customer satisfaction. A multiple regression model approach applied on primary data collected from 179 correctly completed questionnaires. The model considered customer satisfaction as a dependent variable and all other nine factors are independent variables. The results show that all factors have a positive significant influence on customer satisfaction, which leads to the electronic banking functionality factors has a positive influence of customer satisfaction in commercial banks in Jordan and also the customer satisfaction as mediation factor on the customers' loyalty and positive WOM.

Bogati (2016). Identified the factors influencing the customer satisfaction and customer loyalty in the e-banking of the commercial banks in Thailand, considering seven factors which are Core service quality, Social benefits, Special treatment benefits, Confidence benefits, Physical benefits, Banking preferences, and Accessibility. By using 400 questionnaires, distributed on 206 e-banking clients, 194 traditional banking clients with 33 items each. A regression analysis applied to the collected primary data. The study revealed that 4 out of 9 variables which include (core service quality, social benefit, confidence benefits, and physical environment) have a significant positive contribution on the customer satisfaction, and up to 72% or variance in customer satisfaction could be explained by these four independent variables.

Al-Otaibi et al. (2018) had examined the Saudi Arabian customers' satisfaction toward mobile banking in Saudi Arabia and the UK. Mobile banking is offering for the bank's customers to access their account anywhere anytime. The study used 100 online questionnaires, which was distributed for a sample of mobile banking users in both countries Saudi Arabia and the UK, considering three main factors: System quality, the information quality, and interface design. The system quality has a significant positive effect on customer satisfaction in the UK but not Saudi Arabi, the other two factors have a significant positive effect on customer satisfaction in both the UK and Saudi Arabi. In sum, British customers are more satisfied with mobile banking than Saudi Arabian customers.

Asfaw, F. (2017) had studied the effect of electronic banking service quality on customer satisfaction in Ethiopia, the study applied both qualitative and quantitative research approaches, 100 questionnaires distributed for customers of commercial banks of Ethiopia, the collected data was analyzed using SPSS v20.0 The study finds that both service quality and the security of e-banking had been the significant factors on the satisfaction of the customers. There was a linear relationship between e-banking and customer satisfaction. The study recommended the community and the banks to enhance the awareness level of people in using mobile and internet banking as forms of e-banking in Ethiopia.

Asiyanbi (2018). Studied the electronic banking impacts on customer satisfaction in Nigeria, the study tested two main hypotheses, one is related with the significance of Electronic banking effect on enhancing the customer satisfaction and the other one is the adoption of electronic banking. The study applied a quantitative approach by distributing 100 questionnaires of the bank's customer in Ibadan Metropolis. The collected primary data analyzed using the SPSS v20.0 and resulted in high usage of the ATM and Internet banking with low usage of Bank transfer, POS, and Mobile Banking. The first hypothesis was accepted with the approved analysis that electronic banking significantly enhanced customer satisfaction, the second hypothesis was rejected but the approved analysis that high utilization of electronic banking reduced the branches visit frequency. In sum, increasing customer awareness is essential, to enhance the adoption and the usage of electronic banking in a way that increases customer satisfaction.

Firdous (2017) studied the impact of Internet banking service quality on customer satisfaction in New Delhi- India. A survey adapted Likert scale. The Primary data were collected from 194 samples of internet banking customers. Based on the service quality seven dimensions of Efficiency, system availability, fulfillment, privacy, contact, responsiveness, and website design and their relations with customer satisfaction and also extended the s-service quality model of eS-qual-eRec-Squal by zeithaml et al to the banking sector. A regression analysis ALSO helped to understand the impact of e-services quality on customer satisfaction formulated a model of CS (Customer Satisfaction) = - 0.421 + 0.248 (Efficiency) + 0.084 * (availability) + 0.095 (fulfillment) + 0.316 (privacy) + 0.089 (responsiveness) + (contact) + 0.281 (website design), the adjusted R square confirms that 71% of variation in customer satisfaction can be attributed to the e-service quality dimensions. The study results approved that there is a direct relationship between the quality dimensions of internet banking service and customer satisfaction in the banking industry. This will help the Banks' Managers and Decision makers to invest efforts and resources into applying internet banking strategy to increase the bank business and encourage new customers.

Ismail (2017) analyzed the impact of online banking as one of the electronic banking services on customer satisfaction in Jordan, considering the traditional banking effect on some people in developing countries. The study applied the quantitative approach in the analysis to find the relationship and impact of customer satisfaction. The survey was distributed among five selected banks in Jordan, and 100 questionnaires were considered and interviews were conducted in data analysis upon the completion.

In sum, the data analysis considered six main factors that were considered throughout this study (account access, account control, account use, cost and time effectiveness, easy to use and privacy & security) were affected positively on satisfaction level of customer, when it comes to the Jordanian commercial banks, except for the privacy and security. As the client has some concerns regarding the security level while using online banking. accordingly, contributing in a better quality of service and enhancing the awareness level of customers will increase the users of online banking, thus increasing online banking transactions, comparing to the traditional transactions and where the services are available and provided anywhere and anytime.

Consequently, reflecting all the stated literature and researchers above concluded. The study could conclude that none of them had conducted research on the E-Banking services impact on customer satisfaction in Palestine banking sector, also none of the researchers considered the E-Banking strategies form the bank's Management point of view. These, two observations created the "Knowledge gap" which will be covered in this research along with the theoretical framework, data analysis, and the study conclusion and the results will be explained later on.

2.3 PALESTINE BANKING SECTOR OVERVIEW

Accordingly to Palestine Monetary Authority (2018): Palestine Monetary Authority (PMA) was established in 1997. PMA is considered the Central bank of Palestine which is responsible for regulating the banking sector and stabilizing the financial situation in Palestine.

However, some banks in Palestine had been working since 1930 as Arab Bank, which means this bank was away before the existence of the Palestine National Authority (PNA) in the West Bank and Gaza upon Oslo Agreement in 1994. All Banks that opened before and after 1994 were licensed by the (PMA). By the end of June 201, PMA statistics showed that they have 14 officially registered banks in Palestine. All are providing banking services in the West Bank and Gaza Strip. Each bank has its branches network that are functioning to present banking services for all Palestinian people. and also has Electronic banking services, which includes Automatic Teller Machines (ATM), Internet Banking, Mobile Banking and Phone Banking, in diffident level as shown in table (1) .

Table (1): Banks usage of Electronic Banking

Bank Name	Mobile Banking (MB)	Internet Banking (IB)	Phone Banking (PB)	Automatic Teller Machine ATM/BNA
Foreign Banks				
ARAB BANK	✓	✓	✓	✓
CAIRO AMMAN BANK	✓	✓	✓	✓
BANK OF JORDAN	X	✓	X	✓
JORDAN COMMERCIAL BANK	✓	✓	X	✓
HOUSING BANK	X	✓	X	✓
JORDAN AHLI BANK	X	✓	X	✓
EGYPTIAN ARAB LAND BANK	✓	✓	X	✓
Local Banks				
BANK OF PALESTINE	✓	✓	✓	✓
THE NATIONAL BANKS	✓	✓	X	✓
QUDS BANK	✓	✓	✓	✓
PALESTINE ISLAMIC BANK	✓	✓	X	✓
PALESTINE INVESTMENT BANK	X	✓	X	✓
ARAB ISLAMIC BANK	✓	✓	X	✓
SAFA BANK	✓	✓	X	✓

www.pma.ps (2018)

The banking sector is utilizing from the Information and Telecommunication Technology (ITC) in introducing the banking services for the customers , especially the (ITC)-based electronic banking services.

As stated in the table below, from the 14 licensed banks, 7 of them are local Banks and the other 7 are foreign Banks. The (PMA) analyzed the electronic banking services in Palestine, there is a clear usage for traditional banking. Palestine Monetary Authority regulations are supporting the usage of Electronic banking (E-Banking) services, which includes Automatic Teller Machines (ATM) in different cities, Internet banking, Phone banking, and Mobile Banking

Both Branches and ATMs numbers are growing over the years in Palestine, Figures (1) and (2) show the progress from Dec-2010 until Dec-2017 based on PMA (2018) statistics .

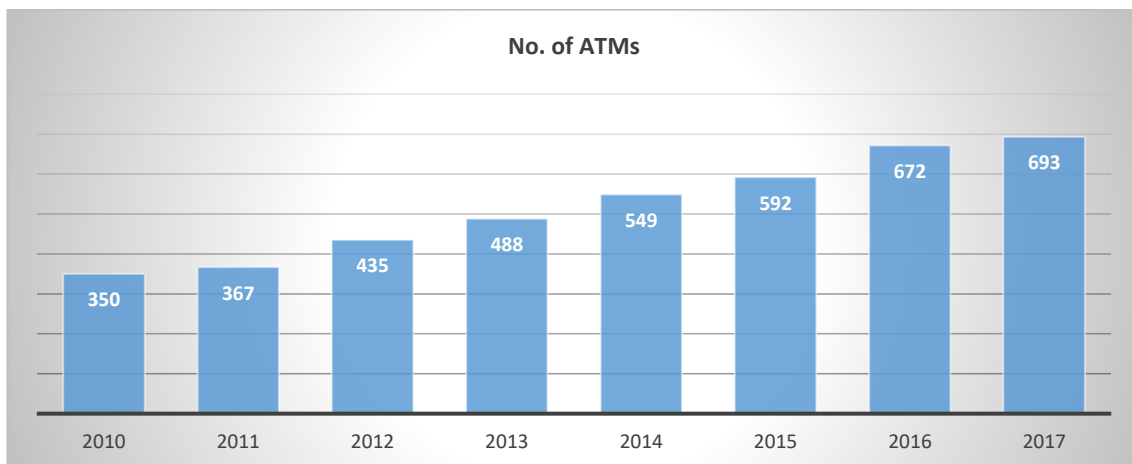
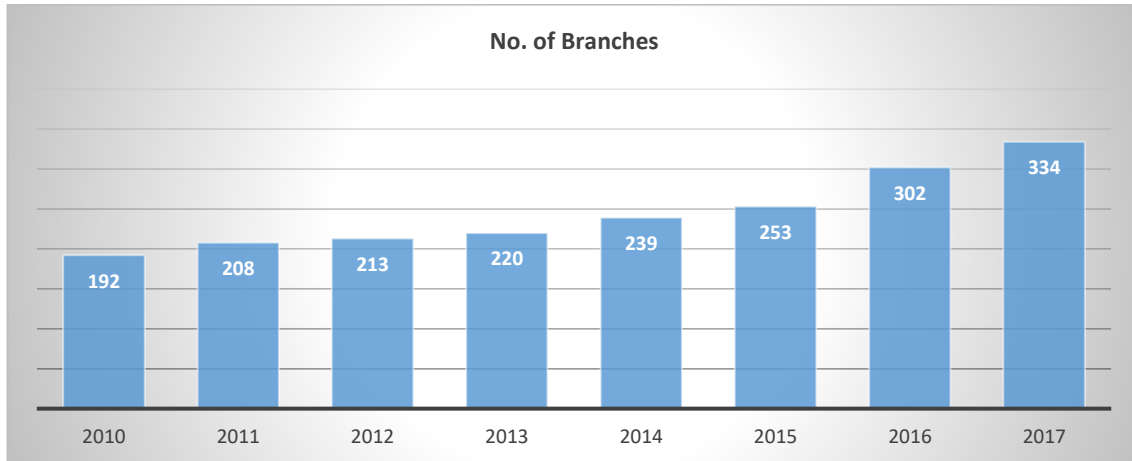


Figure (1): Palestine Banks' ATMs network, www.abp.ps (2018)

It seems, there is a steady growth in number of ATMs for Palestine Banks during the years from 2010 until 2017, the average annual growth is 10%. This may explain the trend of the banks to offer these Electronic banking services for more customers in many areas that could be decreasing the branches traffic. The annual growth declined to 3% between 2017 and 2016 might be due to the National switch 194 project of PMA by

connecting all banks' ATM together in a local network and make them available for all banks' customers with an acceptable fee, approximately 0.25\$ per withdrawal transaction from non-bank ATM. (pma.ps 2018)



Figures (2): Palestine Banks' Branches Network, www.apb.ps (2018)

The number of branches also is growing year over year, with an annual average of 8%. Which may refer that the banks in Palestine are considering the physical branches are essential to attract more customer and business and reach them where they are in cities and rural areas. And also one of competitive advantage for the bank. The Electronic banking service may change such figures and percentage in coming years, by moving the bank's investment from physical branches and building to technology, systems, and digitalization.

The number of customers and accounts are increasing over the years. Table (2) demonstrates the increase from the period of December 2010 until September 2018 (The Palestine Monetary Authority 2018). It shows an increase in the number of customers by 14% and the number of banking accounts increased by 58 %, as clarified in the table (2).

Table(2): The banking accounts and customers as data reporting for PMA

Banking Sector	Years								
	2010	2011	2012	2013	2014	2015	2016	2017	Sep-18
No. of banking accounts (,000)	2,186	2,543	2,715	2,748	2,767	2,941	3,099	3,209	3,457
<i>YTY Growth</i>		16%	7%	1%	1%	6%	5%	4%	8%
No. of Customers (,000)	1,414	1,416	1,464	1,435	1,467	1,460	1,536	1,604	1,618
<i>YTY Growth</i>		0%	3%	-2%	2%	0%	5%	4%	1%
No. of Debit Card (VE) (,000)	381	456	533	541	583	656	713	841	890
		20%	17%	2%	8%	13%	9%	18%	6%

www.pma.ps (2018)

2.3.1 PESTLE ANALYSIS

A PESTLE tool is used in this study to introduce a detailed analysis of the external factors and conditions, which influences the electronic banking and the banking sector in Palestine, all represented by (PMA) and the banks.

PESTLE stands for: **P**olitical, **E**conomic, **S**ocial, **T**echnological, **L**egal and **E**nvironmental, and each term will be explained and will be applied the E-Banking in Palestine further, as follows:

Political: represents all the issued laws and regulations related to E-Banking strategies and services, which were issued either from the Palestinian government or the (PMA). In addition to the reliance on the Israeli banking regulations, since Palestine has no national currency.

Economic: represents the Palestinian economy with the Banks Portfolio and Performance, which might be considered while applying the E-Banking strategies. Palestine economy is mostly influenced by the local political and economic changes, since it is considered a country in a high-risk environment internally, with the absence of an independent monetary policy for the Palestinian, as the government does not have its own national currency, and externally,, with the Israeli occupation controlling the

borders throughout the West Bank and Gaza strip, which imposes restrictions of movement of goods. In addition, with the foreign Aids withdrawal in the last years, have negatively impacted the Palestinian economy, the local obstacles are concluded to. Accordingly, Palestine is obligated to comply with the monetary policies of the United States of America, Jordan, and Israel, as it officially using their currencies USD, JOD, and NIS.

Social: represents the Palestinian Population, which includes the distribution of the population, based on age, location and educational background. Also, data analyzing and measuring their acceptance level toward the E-Banking services. Referring to Palestine Central Bureau of Statistic (**PCBS 2018**) The Palestinian population reached to 4.73M as a whole, 2.86M in West Bank and 1.86M in Gaza Strip by the end of Dec 2017, with an average annual growth 2.5% in West Bank and 3.3% in Gaza strip (The Palestine Monetary Authority, 2018). The analysis reflects that the Palestinian society population majority are youth, where 51.2% are less than 20 years of age (26.1% are male and 25.1% are female), which makes only 2.8% (1.3% are male and 1.5% are female) of the Palestinian society population are 65 years old or higher

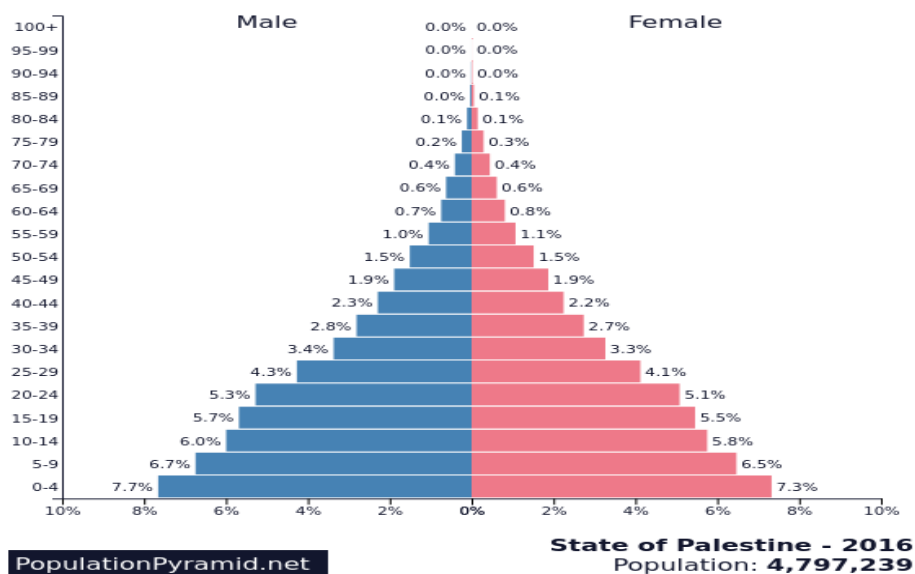


Illustration (1): Population Pyramid showing the demographic distribution of Palestine upon age
<https://www.populationpyramid.net/state-of-palestine/2016/>

Technological: represents PESTLE tool most direct component to this study regarding the E-Banking Strategies, representing the Banks technological and systems resources and capabilities to technology and systems related to E-Banking, and the country's technology and telecommunication infrastructure readiness to adopt and support E-Banking in Palestine. Representing by related companies, the government and the (PMA). Table (3) below demonstrates the subscriber's usage of telecommunications services over the years 2010 to 2018 (Ministry of Telecommunication and Information Technology, 2018)

Table (3): subscriber's usage of telecommunications services over the years 2010 to 2018

Service, 000	Years								
	2010	2011	2012	2013	2014	2015	2016	2017	2018
Landline Subscribers	362.8	385.1	396.2	403.0	403.1	406.4	432.0	472.3	476.2
Internet Lease line Subscribers	119.5	156.0	185.5	213.0	235.1	274.5	320.5	357.1	361.2
Mobile phone Subscribers	2,603.6	2,885.0	3,190.0	3,268.0	3,291.0	3,551.0	3,708.0	3,997.2	4,349.8
Smartphone subscribers of Mobile Phone	19%	35%	NA	NA	51%	52%	NA	NA	NA
3G Subscribers of Smartphone	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	65%

www.mtit.gov.ps (2018)

Legal: represents all legal regulations and laws related to E-Banking, which were established to protect the government, the banks, and clients. So to be able to protect, the banks and clients need to follow them. The Palestinian government issued a draft of the Electronic transactions act no. 15 /2017, which regulates electronic transactions. The drafted law is including about the electronic transactions, which contains more details of the Electronic contracting (which is done in electronic media), electronic transferable documents, electronic transfer of funds, electronic signature of law, protection of electronic transactions, the impact of electronic signatures and finally penalties for cyber-crimes such as forgery of electronic editors or signatures. All of this will protect all parties introducing Electronic services, the government, financial

agencies, and the banks, that guarantees to be safely and legally for all parties, as a result increasing the trust of the customers and users on the Electronic services either banking or non-banking related transactions.

The Palestine Monetary Authority (PMA) is supporting and regulating the Palestinian banks' services in Electronic banking The Palestine Monetary Authority (PMA), The (PMA) also had issued instructions for all the licensed banks in Palestine, to offer all related (E-Banking) services for their customers, which include the Credit Cards services (either VISA or MasterCard), Debit Card, (ATM) Cards and Prepaid Cards, electronic identification (username and password), to access and execute banking transactions online, using the Internet Banking services and short message service (SMS) accessibility in using Phone and mobile banking services, for inquiries and requests of banking services and keeping the customers up to date on the banking transactions via an instant notification on the customer's mobiles. The (PMA) has enforced Electronic banking to be applied on all the banks in Palestine either Local or Foreign banks

Environmental: represents the customer culture and behavior toward the bank's services, which is the (PMA) enforcement of Electronic banking to be applied to all the banks in Palestine leading to eventually. The (PMA) efforts over the years are affecting the people attitude and behavior toward Electronic banking and bank sector itself, people perspective toward the banks are not limited to saving or investing money, but also facilitating their daily life activities. Since the bank's services allow the customer to pay bills, issue checkbooks, purchase goods, make transfers, etc.... In a way, banks services became a primary service for the people lives. Currently, the bank accounts are possessed by all clients, regardless the age, the business nature or the purpose, and it is not limited for those have a business or have a salary

CHAPTER III: THEORETICAL FRAMEWORK

This chapter covers the research methodology, Questionnaire design and the Population and sample size that will try to answer the research question and test the research hypotheses related to e-banking and the impact on customer satisfaction.

3.1 THE STUDY METHODOLOGY

The study methodology contains two main sections:

1. A survey was designed to collect the primary data for the analysis including two parts, one is the Personal information of the participants and the second is the customer experiences of Electronic banking services based on five main parameters, a copy of the questionnaire is in Annex (1).
2. An Interviewed with selective banks top management replied on five main questions designed for understanding their strategies on the Electronic banking and why they are applying such strategies considering the customer satisfaction parameter., a copy of the interview list is in Annex (2)

3.1.1 THE QUESTIONNAIRE

The questionnaire is measuring the level of customer's satisfaction toward the electronic banking services introduced by the banks in Palestine from one hand and how much are they satisfied by these services form another hand. The questionnaire is targeting the bank's customers sum of 347 participants in order being able to measure their perspective regarding the customers' adoption and satisfaction also.

The questionnaire is developed to include two mains sections:

- Section one contains the Personal and Demographic Data of the sample population includes seven parameters or control variables (Gender, Marital status, Age in Years, Profession, Education Level, Annual Income in USD and the Address) as personal information about the participants and also another five parameters for the banking relationship of participant and his/her

experience with Electronic banking services in Palestine (Owing bank's account, the banks that they are working with, the E-banking services they own, the E-banking services they use and the most E-banking they use) , as clarified in below table.

- Section two contains six main parameters with five questions for each parameter designed to measure the adoption level of customers regarding the electronic banking services introduced by banks in Palestine listed below:

1. Automatic Teller Machine (ATM)
2. Internet Banking (IB)
3. Mobile banking.
4. Phone Banking (PB)

Rely on the research design in Chapter (3), the study uses five main parameters (Easy to use, Reliability, Information Security & the Privacy, Cost & Fees, and Availability) to measure how satisfied are the customers in using these electronic services? The sixth parameter is the customer satisfaction level toward the E-Banking services. The total no. of questions in this section is 30.

The questionnaire is designed using 7 points of Likert scale (Ranged between strongly agree represented by #7 and strongly disagree represented by #1). The data analyzed using SPSS v25. Both descriptive analysis, Correlation, and Regression analysis on the collected primary data to have a model of customer satisfaction as the dependent variable and the how the electronic banking five main elements are effects on as independent variables. That will be explained in details in the next Chapter: Data Analysis and findings.

3.1.2 THE INTERVIEWS

The qualitative approach applies to two selected banks in Palestine listed below:

- **Arab Bank** | Mr. Jamal Hurani – Country Manager
- **Bank of Palestine** | Mr. Hasan Afifi – VP Head of IT

Five main questions designed for the interview with each bank's Management to explore their strategies, overview and trends E-Banking services:

1. What are the bank's Five-year approach and Plan towards integrating the electronic banking services?
2. What are the main reasons behind this approach?
3. How was the impact of the Palestinian environment (Infrastructure, Human Power, Technology and systems) with the electronic banking adoption and usage by the customers?
4. Do you think that the customers' satisfaction toward electronic banking services is more than the traditional bank's branches services? And why?
5. As your point of view, what is the (PMA) role in supporting the bank's approach toward electronic banking? And what is needed for obtaining better outputs?

3.2 POPULATION AND SAMPLING

The study population is the banks' customers in the Palestine banks mentioned in below table (5) those having one of the Electronic banking services from their bank and using it. The sample includes 347 customers those participated in filling the questionnaire out of 450 questionnaires distributed on selected banks in Palestine that were targeted in the study:

Table (5): The Targeted Banks in the Sample

Local Banks	Foreign Banks
1. Bank of Palestine	1. Arab Bank
2. Quds Bank	2. Cairo Amman Bank
3. The National Bank	3. Bank of Jordan
4. Palestine Investment Bank	4. Housing bank
5. Palestine Islamic bank	5. Jordan Commercial Bank
6. Arab Islamic Bank	6. Jordan Ahli Bank
7. Safa Bank	7. The Egyptian Arab Land Bank

www.pma.ps (2018)

3.3 THE STUDY DESIGN

The study depended on a research model, which includes five main variables that were the reasons to influencing on the customer's satisfaction level:

1. Easy to use.
2. Reliability.
3. Information Security & Privacy.
4. Cost & Fees.
5. Availability.



Illustration (2): The 5 variables that have influencing power over customer's satisfaction

This design was applied to measure the customer's satisfaction towards the four main Electronic banking services:

1. Automatic Teller Machine (ATM)
2. Internet Banking (IB).
3. Mobile banking (MB).
4. Phone Banking (PB).

The primary data will be collected from eight banks working in Palestine, and the umbrella of Palestine Monetary Authority (PMA), targeting the bank's customers and management.

CHAPTER IV: DATA ANALYSIS AND FINDINGS

4.1 DATA ANALYSIS RESULTS

During the sampling 8 banks out of 14 accepted to take the questionnaires, to be distributed to their customers, the total number of questionnaires 347 from the customers of 8 banks in Palestine, and they are :

Table (6): The 8 Banks that provided their customers with questionnaires.

#	Bank's Name	No. of distributed questionnaires	No. of received questionnaires	Response %
1	Arab Bank	90	80	89%
2	Arab Islamic Bank	50	42	84%
3	Ahli Jordan Bank	50	28	56%
4	Jordan Commercial bank	50	29	58%
5	Quds Bank	50	41	82%
6	Bank of Palestine	90	81	90%
7	Safa Bank	50	31	62%
8	The National Bank	20	15	75%
	Total	450	347	77%

In this section, the collected data will be analyzed to have results that will reflect a clear overview of the sample population:

Personal and demographic descriptive analysis:

The sample population consisted of 347 participants, 240 of them were male and 92 were females. As shown in the table (7) below:

Table (7): The Gender analysis for the questionnaire sampling

Gender		Frequency	Percent
Valid	Male	250	72.0
	Female	97	28.0
	Total	347	100.0

Seeking the marital status of these participants, 34% of participants are single, 61.4% are married, 3.6% as separated and 0.9% as widowed, the total is 100%. Table (8) shows the details:

Table (8): The Marital status analysis for the questionnaire sampling

Marital Status		Frequency	Percent
Valid	Single	113	34.0
	Married	204	61.4
	Separated	12	3.6
	Widowed	3	.9
	Total	332	100.0

Seeking the age status of these participants, 70.8% of participants are less than 34 years old, 29.2% are greater or equal than 35 years old. As shown below:

Table (9): The age analysis for the questionnaire sampling

Age in Years		Frequency	Percent
Valid	Less than 18	5	1.4
	18-24	90	25.9
	25-34	151	43.5
	35-44	70	20.2
	45-54	26	7.5
	55-64	5	1.4
	Total	347	100.0

Seeking the profession status of these participants, 60.5% of the participants are working under the Private sector, 15.9% are working under the public sector, as for 13.5%, 5.8% and 2.3% are either entrepreneurs with own businesses, Professional, Another profession respectively, and the 2.0% remaining are unemployed, As shown below :

Table (10): The profession analysis for the questionnaire sampling

Profession		Frequency	Percent
Valid	Public Sector Employee	55	15.9
	Private Sector Employee	210	60.5
	Professional	20	5.8
	Self-employed	47	13.5
	Unemployed	7	2.0
	Other	8	2.3
	Total	347	100.0

Seeking the education level status of these participants, 60.2% of the participants have graduated with a Bachelor degree, 11.2% have graduated with a Master degree, and 1.2% have graduated with a Ph.D. degree, the remaining 27.4% obtained either a Diploma, school education or others, more details in the table and graph below:

Table (11): The education level analysis for the questionnaire sampling

Educational Level		Frequency	Percent
Valid	Ph.D. Degree	4	1.2
	Master Degree	39	11.2
	High Diploma degree	18	5.2
	Bachelor Degree	209	60.2
	Diploma	24	6.9
	Secondary Education	40	11.5
	Other	13	3.7
	Total	347	100.0

Seeking the income status of these participants, 51.9% of the participants have an annual income less than \$12,000, 22.5% have an annual income between (\$12,001 and \$24,000), and the remaining 25.6% is with an annual income of \$24,001 and above, as reflected in the table and graph below:

Table (12): The income analysis for the questionnaire sampling

Annual Income in USD		Frequency	Percent
Valid	Less than \$12,000	180	51.9
	\$ 12,001 –\$ 24,000	78	22.5
	\$ 24,001 –\$ 36,000	29	8.4
	\$ 36,001 –\$ 48,000	17	4.9
	\$ 48,001 –\$ 60,000	8	2.3
	Greater than \$60,000	13	3.7
	Other	22	6.3
	Total	347	100.0

Seeking the address status of these participants, Most of the participant are from Ramallah and Al-Bireh Area with the percentage of 47.6 %, the second-ranked is Nablus are with only 8.9% and then comes Gaza with 6.9 %.

Table (13): The address analysis for the questionnaire sampling

Address		Frequency	Percent
Valid	Jenin	20	5.8
	Tulkarem	16	4.6
	Qalqilia	11	3.2
	Tubas	7	2.0
	Nablus	31	8.9
	Salfeet	6	1.7
	Ramallah and Al-Bireh	165	47.6
	Jerusalem	16	4.6
	Bethlehem	19	5.5
	Hebron	21	6.1
	Jericho	11	3.2
	Gaza	24	6.9
	Total	347	100.0

Table (14) reflects below the number of participants, indicating their gender along with their bank details, referring to the 14 working banks in Palestine. There are 347 Participants that are holding 495 accounts (74% of them are Male and 26% of them are Female) distributed between the fourteen banks in Palestine.

Table (14): The Participants bank details versus their Gender in the 14 Banks in Palestine

Crosstab		Gender		
Count		Male	Female	Total
Bank of Palestine	Yes	83	33	116
	No	167	64	231
Total		250	97	347
Arab Bank	Yes	78	40	118
	No	172	57	229
Total		250	97	347
The National Bank	Yes	25	8	33
	No	225	89	314
Total		250	97	347
Quds Bank	Yes	36	13	49
	No	214	84	298
Total		250	97	347
Arab Islamic Bank	Yes	37	6	43
	No	213	91	304
Total		250	97	347
Palestine Islamic Bank	Yes	19	2	21
	No	231	95	326
Total		250	97	347
Cairo Amman Bank	Yes	8	2	10
	No	242	95	337
Total		250	97	347
Housing Bank	Yes	5	2	7
	No	245	95	340
Total		250	97	347
Bank of Jordan	Yes	6	1	7
	No	244	96	340
Total		250	97	347
Palestine Investment Bank	Yes	7	2	9
	No	243	95	338
Total		250	97	347
Ahli Jordan Bank	Yes	24	4	28
	No	226	93	319
Total		250	97	347

Jordan Commercial Bank	Yes	18	5	23
	No	232	92	324
Total		250	97	347
The Egyptian Arab Land Bank	Yes	3	1	4
	No	247	96	343
Total		250	97	347
Safa Bank	Yes	19	8	27
	No	231	89	320
Total		250	97	347

Regarding the holding E-Banking services by the participants, the study shows that 335 participants (96.5%) are holding the ATM services, 250 participants (72%) are holding Internet banking (IB), 198 participants (57.1%) are holding Mobile banking (MB), 88 participants (25.4%) are holding Phone banking (PB) and the remaining 7 participants (2%) are holding other unspecified services such as SMS Banking. As clarified below:

Table (15): The Participants holding of E-banking services

Automatic Teller Machine (ATM)		Frequency	Percent
Valid	Yes	335	96.5
	No	12	3.5
	Total	347	100.0
Internet Banking (IB)		Frequency	Percent
Valid	Yes	250	72.0
	No	97	28.0
	Total	347	100.0
Mobile Banking (MB)		Frequency	Percent
Valid	Yes	198	57.1
	No	149	42.9
	Total	347	100.0
Phone Banking (PB)		Frequency	Percent
Valid	Yes	88	25.4
	No	259	74.6
	Total	347	100.0

As for the usage of E-Banking services by the participants, the study shows that 326 participants (93.9%) are using the ATM services, 221 participants (63.7%) are using Internet Banking (IB), 175 participants (50.4%) are using the Mobile Banking (MB), 51 participants (14.7%) are using Phone banking (PB) and the remaining 3 participants (less than 1%) are using other unspecified services. as clarified in below:

Table (16): The Participants usage of E-banking services

Automatic Teller Machine (ATM)		Frequency	Percent
Valid	Yes	326	93.9
	No	21	6.1
	Total	347	100.0
Internet Banking (IB)		Frequency	Percent
Valid	Yes	221	63.7
	No	126	36.3
	Total	347	100.0
Mobile Banking (MB)		Frequency	Percent
Valid	Yes	175	50.4
	No	172	49.6
	Total	347	100.0
Phone Banking (PB)		Frequency	Percent
Valid	Yes	51	14.7
	No	296	85.3
	Total	347	100.0

Below figure summaries the No. of participants are holding and using the E-Banking services:

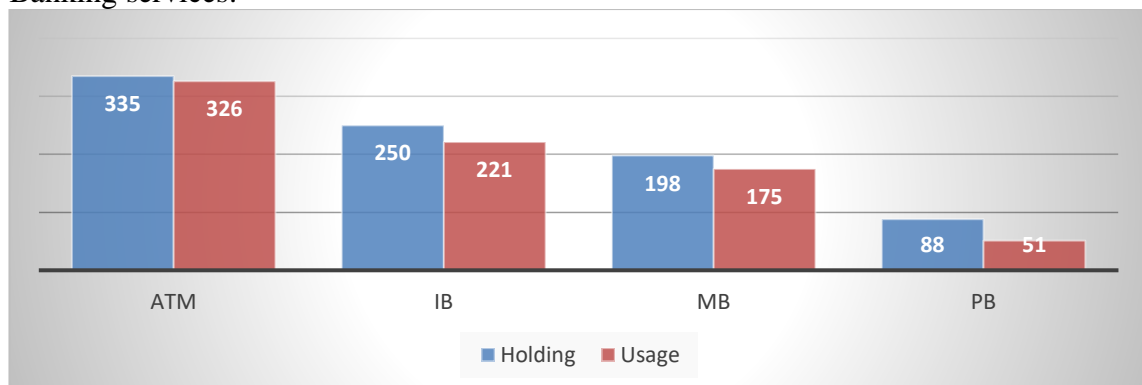


Figure (3): The E-banking holding and usage by Participants

Table (17): The Participants most usage of E-banking services

The Most used E-Banking Services		Frequency	Percent
Valid	Automatic Teller Machine (ATM)	256	73.8
	Internet Banking	60	17.3
	Mobile Banking	30	8.6
	Phone Banking	1	.3
	Total	347	100.0

Regarding the most used E-Banking services, 256 Participants consider the Automatic Teller Machine (ATM) is the most used E-Banking service, 60 Participants are preferring the Internet Banking , 30 Participants consider the Mobile Banking is the preferred E-Banking service and only 1 Percipient using the Phone Nanking as the preferred E-Banking service, as shown in figure (4) below:

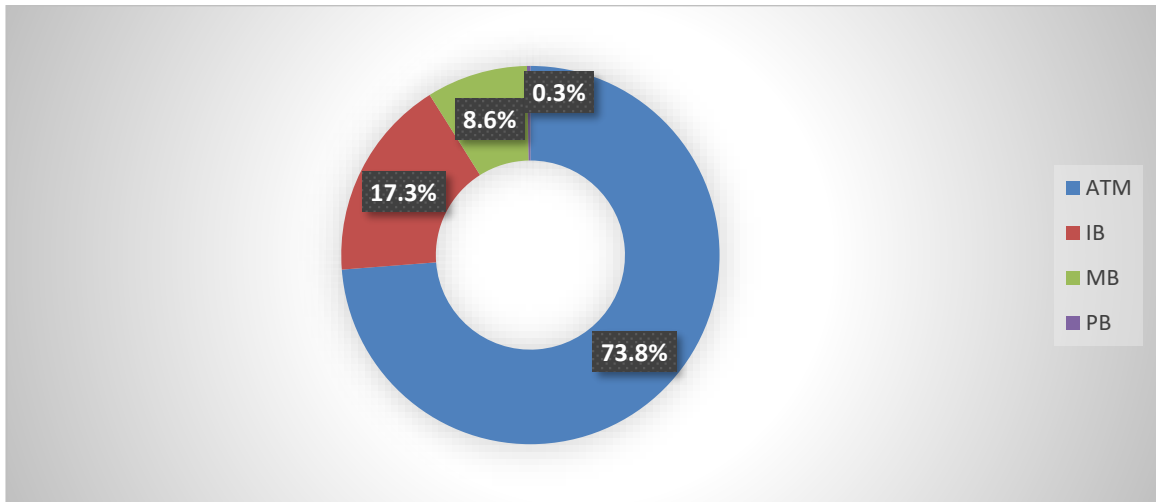


Figure (4): The Most used E-banking service by the 347 Participants.

Customers' satisfaction and independent variables descriptive analysis:

Each variable of the collected data in section two will be analyzed, according to the next includes the business of Use, Reliability, Information security and the privacy, Cost and Fees, Availability and the last one is the customer satisfaction level.

Table (18): The statistics of all variables

Statistics		Ease of use	Reliability	Information Security & the Privacy	Cost & Fees	Availability	Customer Satisfaction
N	Valid	347	347	347	347	347	347
	Missing	0	0	0	0	0	0
Mean		6.0311	5.9101	6.0542	5.6323	5.8991	5.9867
Std. Error of Mean		.04261	.04667	.04119	.05372	.05093	.04358
Median		6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
Mode		7.00	6.00	6.00 ^a	6.00	6.00	6.00
Std. Deviation		.79373	.86938	.76729	1.00075	.94867	.81187
Variance		.630	.756	.589	1.001	.900	.659
Skewness		-1.248	-1.182	-1.090	-1.295	-1.223	-1.024
Std. Error of Skewness		.131	.131	.131	.131	.131	.131
Kurtosis		2.944	2.328	2.470	2.695	1.818	1.313
Std. Error of Kurtosis		.261	.261	.261	.261	.261	.261
Range		5.00	5.20	4.60	6.00	5.00	4.40
Minimum		2.00	1.80	2.40	1.00	2.00	2.60
Maximum		7.00	7.00	7.00	7.00	7.00	7.00
Sum		2092.80	2050.80	2100.80	1954.40	2047.00	2077.40
Percentiles	25	5.6000	5.6000	5.6000	5.0000	5.6000	5.6000
	50	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
	75	6.6000	6.6000	6.6000	6.2000	6.6000	6.6000

- **Ease of Use variable**

The total data points gathered are 34, which reflected how much the customer is feeling and experiencing the easiness of using the E-Banking services, through answering 5 related questions, the average of these questions calculated to find out the level of Ease of use.

The average is 6.0311, which means that the average of participant answers are close to “Agree” that represented by 6 in the Likert scale degree. 67% of all data points are located between $(6.0311 - 0.79373 = 5.23737)$ and $6.0311 + 0.79373 = 6.82483$. The study is 95% sure that population true mean (average) is located between $((6.0311 - (2 * 0.04261) = 5.94588)$ and $6.0247 + (2 * 0.04261) = 6.11632$),

The data points are highly skewed to the left with skewness value (-1.248), that represented most of the data points values are concentrated between the 5 and 7 data point in Likert scale, between the “agree to a certain extent” and “strongly agree”

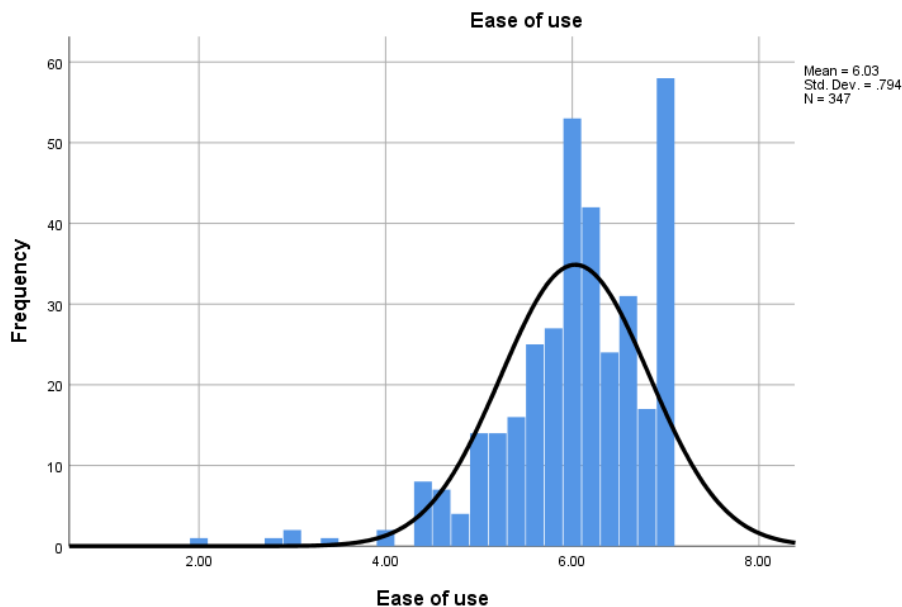


Figure (5): The E-Banking service versus the Easiness of use

- **The Reliability variable**

The total data points gathered are 347 that reflected how much the customer is feeling and experiencing the reliability and trust in using of E-Banking services by answering 5 related questions, the average of these questions were calculated to find out the reliability level.

The average is 5.9101, which means that the average of participant answers are close to “Agree” that represented by 6 in the Likert scale degree. 67% of all data points are located between $(5.9101 - 0.86938 = 5.04072)$ and $(5.9101 + 0.86938 = 6.77948)$. The study assures 95% that population true mean (average) is located between $(5.9101 - (2 * 0.04667)) = 5.81676)$ and $(5.9101 + (2 * 0.04667) = 6.00344)$.

The data points are highly skewed to the left with skewness value (-1.182), that represented most of the data points values are concentrated between the 5 and 7 data point in Likert scale, between the “agree to a certain extent” and “strongly agree”.

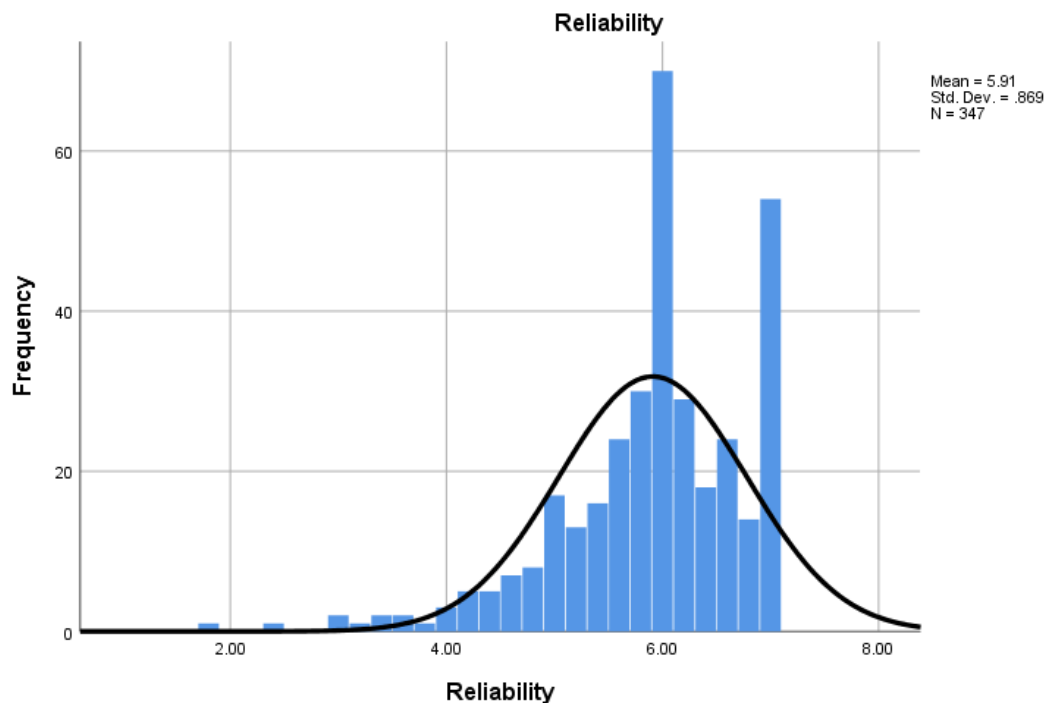


Figure (6): The E-Banking service versus reliability

- **Information Security and the Privacy variable**

The total data points gathered are 347 that reflected how much the customer is satisfied with the privacy and security while using of E-Banking services by answering 5 related questions, the average of these questions were calculated to find out the reliability level.

The average is 6.0542, which means that the average of participant answers are close to “Agree” that represented by 6 in the Likert scale degree. 67% of all data points are located between $(6.0542 - 0.76729 = 5.28691)$ and $(6.0542 + 0.76729 = 6.82149)$. The study assures 95% that population true mean (average) is located between $(6.0542 - (2 * 0.04119)) = 5.97182)$ and $(6.0542 + (2 * 0.04119) = 6.13658)$.

The data points are highly skewed to the left with skewness value (-1.09), that represented most of the data points values are concentrated between the 5 and 7 data point in Likert scale, between the agree to a certain extent and strongly agree

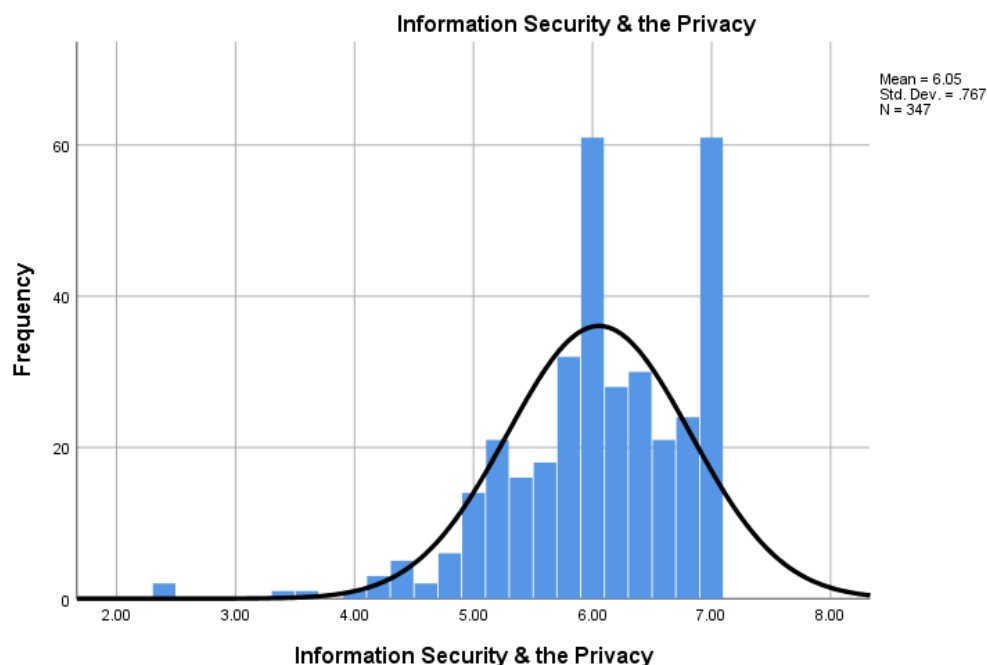


Figure (7): The E-Banking service versus information security and privacy

- **The Cost and Fees variable**

The total data points gathered are 347 that reflected how much the customer is satisfied with the cost and fees of using the E-Banking services by answering 5 related questions, the average of these questions were calculated to find out the reliability level.

The average is 5.6323, which means that average of participant answers is almost between “Agree to a certain extent” and “Agree” points that represented by 5 and 6 in the Likert scale degree respectively. 67% of all data points values are located between $(5.6323 - 1.00075 = 4.95043)$ and $(5.6323 + 1.00075 = 6.63305)$. The study assures 95% that population true mean (average) is located between $(5.6323 - (2 * 0.05372)) = 5.52486$ and $(5.6323 + (2 * 0.05372) = 5.73974)$.

The data points are moderately skewed to the left with skewness value (-0.792), that represented most of the data points values are concentrated between the 4 and 7 data point in Likert scale, between the “Neutral” and “strongly agree”

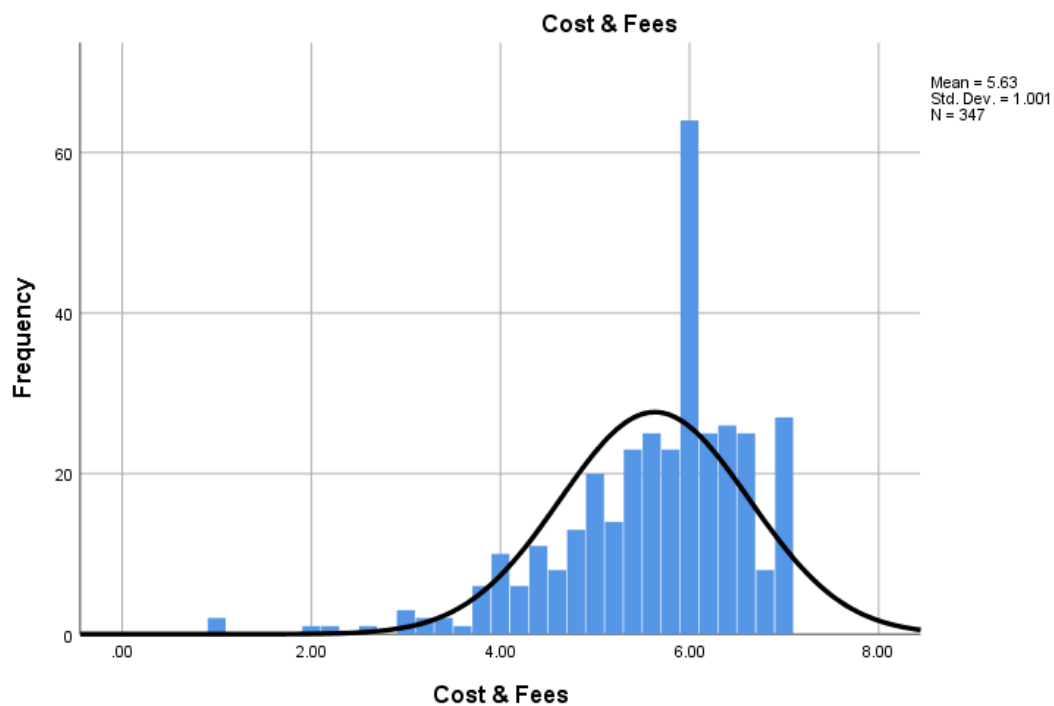


Figure (8): The E-Banking service versus Costs

- **The Availability variable.**

The total data points gathered are 347 that reflected how much the customer is seeing and utilizing from the availability of E-Banking services by answering 5 related questions, the average of these questions were calculated to find out the reliability level.

The average is 5.8991, which means that average of participant answers is almost between “Agree to a certain extent” and “Agree” points that represented by 5 and 6 in the Likert scale degree respectively. 67% of all data points values are located between $(5.8991 - 0.94867 = 4.95043)$ and $(5.8991 + 0.94867 = 6.84777)$. The study 95% assures that population true mean (average) is located between $(5.8991 - (2 * 0.05093)) = 5.79724)$ and $(5.8991 + (2 * 0.05093) = 6.00096)$.

The data points are also highly skewed to the left with skewness value (-1.223), that represented most of the data points values are concentrated between the 5 and 7 data point in Likert scale, between the “Agree to a certain extent” and “strongly agree”

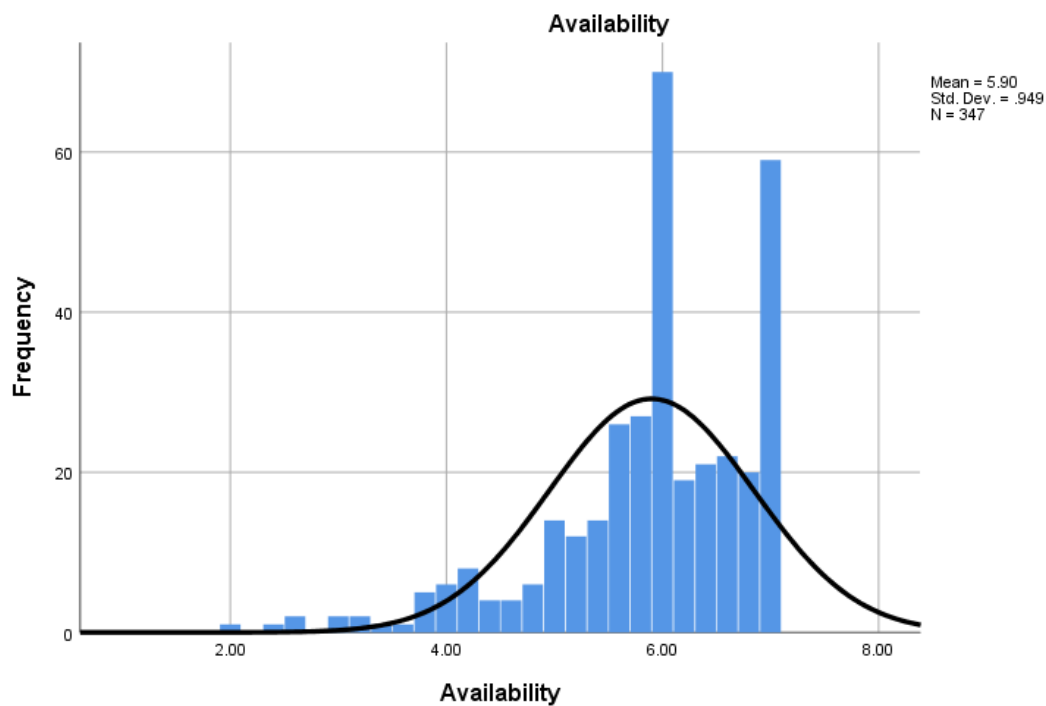


Figure (9): The E-Banking service versus availability

- **The Customer Satisfaction variable:**

The total data points gathered are 347 that reflected how much the customer is satisfied in using of E-Banking services by answering 5 related questions, the average of these questions were calculated to find out the reliability level.

The average is 5.9867, which means that the average of participant answers is almost at the “Agree” point that represented by 6 in the Likert scale degree respectively. 67% of all data points values are located between $(5.9867 - 0.81187 = 5.17483)$ and $(5.9867 + 0.81187 = 6.79857)$. The study 95% assures that population mean (average) is located between $(5.9867 - (2 * 0.04358) = 5.88612)$ and $(5.9867 + (2 * 0.04358) = 6.07386)$.

The data points are also moderately skewed to the left with skewness value (-1.024), that represented most of the data points values are concentrated between the 5 and 7 data point in Likert scale, between the “Disagree to a certain extent” and “strongly agree”

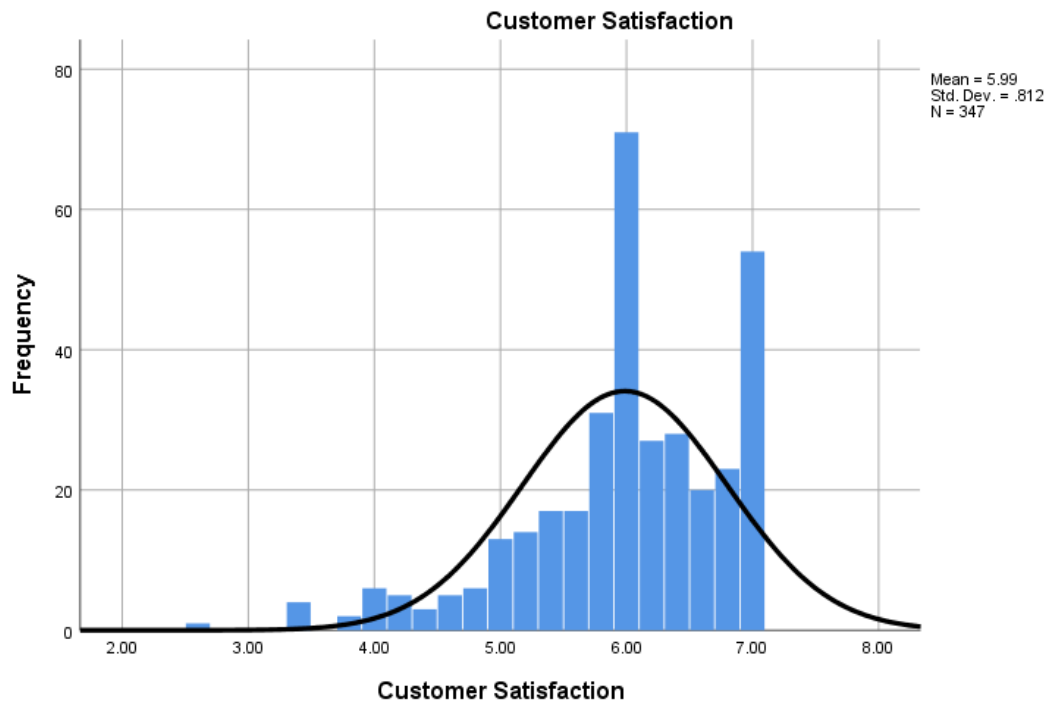


Figure (10): The E-Banking service versus customer satisfaction

Correlation analysis:

The correlation analysis will be explaining the relationship between two or more variables, regarding the correlation coefficient value and its direction of relationship with positive or negative. The primary collected data includes 5 independent variables **(IV) (Easiness of use, Availability, Information Security & the privacy, Cost & Fees, and Reliability)** and one Dependent variable **(DV)** which is Customer satisfaction.

Referring to below table (19) below, Each **(IV)** is moderately positively correlated with another independent variable, and all the relationships between them are significant as the value is (0.000) less than (0.05).

The **(DV)** (Customer satisfaction) is a moderately positively correlated with other five independent variables with coefficient correlation values 0.542, 0.488, 0.518, 0.505, and 0.684 with independent variables Easiness of use, Reliability, Information Security & the privacy, Cost & Fees and Availability respectively.

Table (19): The Correlation of (IV) and (DV)

		Correlations					
		Ease of use	Reliability	Information Security & the Privacy	Cost & Fees	Availability	Customer Satisfaction
Ease of use	Pearson Correlation	1	.623**	.577**	.422**	.482**	.542**
	Sig. (2- tailed)		.000	.000	.000	.000	.000
	N	347	347	347	347	347	347
Reliability	Pearson Correlation	.623**	1	.518**	.443**	.481**	.488**
	Sig. (2- tailed)	.000		.000	.000	.000	.000
	N	347	347	347	347	347	347
Information Security & the Privacy	Pearson Correlation	.577**	.518**	1	.525**	.442**	.518**
	Sig. (2- tailed)	.000	.000		.000	.000	.000

	N	347	347	347	347	347	347
Cost & Fees	Pearson Correlation	.422**	.443**	.525**	1	.553**	.505**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	347	347	347	347	347	347
Availability	Pearson Correlation	.482**	.481**	.442**	.553**	1	.684**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	347	347	347	347	347	347
Customer Satisfaction	Pearson Correlation	.542**	.488**	.518**	.505**	.684**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	347	347	347	347	347	347

**, Correlation is significant at the 0.01 level (2-tailed).

In order to analyze the coefficient of determination between the dependent variable and the other five independent variables, the study used R^2 values.

Table (20): The Correlation of (IV) and (DV)

		Ease of use	Availability	Information Security & the Privacy	Cost & Fees	Reliability	Customer Satisfaction
Customer Satisfaction	Pearson Correlation	0.538	0.685	0.516	0.502	0.485	1.000
	Coefficient of Determination (r^2)	0.289	0.469	0.266	0.252	0.235	

- 28.9% of the variance in (DV) customer satisfaction has been explained by Easiness of use independent variable.
- 46.9% of the variance in (DV) customer satisfaction has been explained by Availability independent variable.
- 26.6% of the variance in (DV) customer satisfaction has been explained by Information Security and Privacy independent variable.

- 25.2% of the variance in (DV) customer satisfaction has been explained by the cost and fees independent variable.
- 23.5% of the variance in (DV) customer satisfaction has been explained by the reliability independent variable.

Regression analysis:

The study uses a regression model to examine the dependency of dependent variables (Customer satisfaction) on other five independent variables (Easiness of use, Reliability, Information security and Privacy, Cost and fees and the availability).

Table (21): The Descriptive Statistics for the variables

Descriptive Statistics			
	Mean	Std. Deviation	N
Customer Satisfaction	5.9867	.81187	347
Ease of use	6.0311	.79373	347
Reliability	5.9101	.86938	347
Information Security & the Privacy	6.0542	.76729	347
Cost & Fees	5.6553	1.03161	347
Availability	5.8991	.94867	347

As clarified in the descriptive part of this analysis, the above table (21) represents the mean of each variable for the average participants' answers.

Table (22): The Three Models Summary

Model Summary										
Model	R	R Square	Adjusted R Square	Std. The error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. Change	F Durbin-Watson
1	.684 ^a	.468	.466	.59316	.468	303.190	1	345	.000	
2	.726 ^b	.526	.524	.56028	.059	42.680	1	344	.000	
3	.740 ^c	.547	.543	.54864	.021	15.753	1	343	.000	1.957

a. Predictors: (Constant), Availability

b. Predictors: (Constant), Availability, Ease of use

c. Predictors: (Constant), Availability, Ease of use, Information Security & the Privacy

d. Dependent Variable: Customer Satisfaction

The study contains three models as follow: as clarified in table (22) above .

- The 1st Model with adjusted R square value 0.466 which means (availability) as IV is accounted for 46.9% of DV (Customer satisfaction) change.
- The 2nd Model with adjusted R square increased to 0.524% which means that both IVs (Availability and Information security and Privacy) are accounted for 52.5% of DV (Customer satisfaction) change.
- In the 3rd Model, the R square increased to 0.543 which means that three IVs (Availability, Information security, and Privacy plus the Ease of use) are accounted for 54.3% of DV (customer satisfaction) change or in other words 54.7% of the variance of DV is explained by the three IV.

The adjusted R square values in the three models are very close to the value of R square, which explained the data points that are good enough to represent the true population.

Table (23): The Coefficients

Coefficients ^a										
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	2.534	.201		12.617	.000					
Availability	.585	.034	.684	17.412	.000	.684	.684	.684	1.000	1.000
2 (Constant)	1.501	.247		6.077	.000					
Availability	.471	.036	.550	12.995	.000	.684	.574	.482	.767	1.303
Ease of use	.283	.043	.277	6.533	.000	.542	.332	.242	.767	1.303
3 (Constant)	1.065	.266		4.010	.000					
Availability	.438	.036	.512	12.008	.000	.684	.544	.436	.727	1.376
Ease of use	.195	.048	.191	4.076	.000	.542	.215	.148	.603	1.659
Information Security & the Privacy	.192	.048	.181	3.969	.000	.518	.210	.144	.632	1.583

a. Dependent Variable: Customer Satisfaction

Post examined the Coefficient table above, the model could be extracted as follow:

$$DV (\text{Customer satisfaction}) = B_0 + b_1 X_1 + b_2 X_2 + b_3 X_3$$

As

- $B_0 = 1.065$
- $b_1 = 0.438$
- $X_1 = \text{Availability}$
- $b_2 = 0.195$
- $X_2 = \text{Ease of Use}$
- $b_3 = 0.192$
- $X_3 = \text{Information Security \& the privacy.}$

Thus the third model formula is:

$$\text{DV (Customer satisfaction)} = 1.065 + 0.438 (\text{Availability}) + 0.195 (\text{Ease of Use}) + 0.192 (\text{Information Security \& the Privacy})$$

All three IV (Availability, Ease of Use and The Information Security & the Privacy) are a statistically significant impact on the DV (Customer satisfaction) as the P-value for all of them are 0.000 which is less than 0.05.

One point change in Availability make a change in 0.438 points in DV (CS), One point change in Ease of Use make a change in 0.195 points in DV (CS), and one point change in The Information Security & the privacy make a change in 0.192 points in DV (CS). SPSS analysis (Model 3) excluded two independent variables (Reliability and Cost & Fees) because they are insignificant

Upon the Descriptive, Correlation and multiple Regression analysis, the study finds:

- The Participants are satisfied with the E-Banking services in Palestine as the average of their feedback within “Agree” and “strongly agree”, thus the study null hypothesis (**H₀**) was rejected and the study alternative hypothesis (**H₁**) was accepted, and there is a significant positive impact of the electronic banking on the customers’ satisfaction.
- Regarding the sub-hypotheses: **H₁₋₁**, **H₁₋₃**, and **H₁₋₅** were accepted while **H₁₋₂** and **H₁₋₄** were rejected.

H₁₋₁: Electronic banking Ease of use has a significant positive effect on the customer’s satisfaction.

H₁₋₂: Electronic banking being reliable has no significant positive effect on the customer’s satisfaction.

H₁₋₃: Electronic banking Information security and privacy have a significant positive effect on the customer’s satisfaction.

H₁₋₄: Electronic banking cost and fees have no significant positive effect on customer’s satisfaction.

H₁₋₅: Electronic banking availability has a significant positive effect on customer’s satisfaction.

4.2 THE INTERVIEWS RESULTS

As clarified in the study Methodology Chapter (III), the study made an interview with selected two banks Management in Palestine, those are the Arab bank and Bank of Palestine. Both banks have their own Strategy regarding E-Banking services. In this section, the five main questions that were asked for the banks will be analyzed to figures out the future of E-Banking services and the relationship with customers' satisfaction from the Banks' management perspective

1. What are the bank's Five-year approach and Plan towards integrating the electronic banking services?

Arab bank is considered a big bank, seeking for a leading the banking in the Arab World in financial technology from one side and Policies and procedures to form another side. The bank is introducing the Electronic banking services to their customers based on a strategic plan combined the advancement in communication, database, systems, and technology. Arab bank is introducing many E-Banking services includes Automatic Teller Machine, Internet Banking, Mobile Banking and Phone Banking with many banking services inside each of them that allow the customer to execute a variance type of banking transactions anywhere and anytime.

The key in developing the E-Banking services is the satisfaction and the experience of the end users, the bank is looking for continuous enhancing and expanding the E-Banking services horizontally and vertically considering all the local and global constraints related to the legal, laws and regulations, putting the customer trust as the top priority.

Bank of Palestine is also offering wide E-Banking services for their customers and working on enhancing and increasing them based on the Plan. The bank believes that such services are improving the overall service level for the bank toward their customers by saving their time and efforts and making the banking services are easier and available.

Bank of Palestine has an advanced experience in Payments services also such as the Point of Sales (POS) and Payment gateways in addition of the E-Banking services includes ATM, IB, MB and PB that are offering for individuals customers now, and will be for the corporate customers in the future. The more the customers are being trusted and ware in this service the more adoption and usage level.

The bank is looking also for integrating the government services with financial services for better customers experience and comprehensive banking solutions, which is required an investment of the Palestinian government in the E-services and E-Government involving all related stakeholders.

2. What are the main reasons behind this approach?

Arab Bank believes that E-Banking strategies and services are essential for many reasons most of them are related to the customers, includes enabling the bank to continue and survive in the banking industry by cope with the advancement and the changes in this sector for better performance, cost efficiency and best use of the resources, specially the digital banking services and systems. Also enabling the bank to target new Market and reaching new customers those looking for an advanced banking solutions and services represented by E-Banking services, this is not limited for new customers only but existing customers' needs are changing over time and the bank has to meet such needs on time and may direct that needs for better service level and customers' satisfaction. What is acceptable 10 years ago is no longer now.

Bank of Palestine trusted that the customer needs the E-Banking services to access and use the banking services anywhere and anytime, this is becoming requirements by the customers and should be met. In a way that the bank's management is fully aware of the importance of E-Banking services in customers' satisfaction. The E-Banking is also contributing to reducing the cost and increasing the efficiency. E-banking services putting the bank on a global level not local, that pushing the bank for continues

improvement the banking services, investing in technology, and advance the customer experience to survive, improve and increase the market share.

3. How was the impact of the Palestinian environment (Infrastructure, Human Power, Technology and systems) with the electronic banking adoption and usage by the customers?

Arab Bank concluded that Palestine infrastructure related to the telecommunications (Landline and third generation of wireless connection 3G) is a good but continuous improvement is a must, 3G is motivating the applying and usage of E-Banking services.

The technology and systems are advanced as most of them are a global system, The FinTech could be a local alternative if compliance with all requirements and conditions related to the regulations, privacy, and trust. Human power education level is acceptable, but more efforts are required to minimize the gap with the workplace.

Arab Bank is working on moving its customers from conventional banking through the branches to E-Banking services by introducing the orientation and awareness sessions to make them feel trust. The prizes and campaigns are a good tool to motivate the customers in using the E-Banking services. The customers also need to feel in a high level of security and privacy in E-Banking.

Bank of Palestine considered the Palestine infrastructure is old as the 3G had been launched in Palestine since a year or more while the developed countries are going for the 5G technology. Regarding the graduate students, there is a big gap between the Knowledge in academic and workplace, more efforts are required to reduce this gap by enhancing the student's skills and interactive with the environment during the education period.

Customer awareness is an essential driver for E-Banking services usage and satisfaction level, but more and more programs and campaigns are needed to increase such awareness in all customer segments.

4. Do you think that the customers' satisfaction toward electronic banking services is more than the traditional bank's branches services? And why?

Arab Bank thinks that there are two groups of customers, the 1st is willing to have and use E-Banking services and will be happy in that upon their knowledge on the advantages of E-Banking services such as the accuracy, the control, the speed, and the availability, the 2nd group is still using the traditional banking services and visiting the physical branches, therefore the bank need till the needs and wants of both group from one hand and investing increase the awareness and willingness of the 2nd group to move the E-Banking services shorter . Accordingly, satisfying the E-Banking customers are critical to the success in this approach.

Bank of Palestine believes that increasing E-Banking customers' satisfaction is essential to encourage the traditional banking customer to move for E-Banking due to their advantages. People needs and behavior is changing over time. The people are being influenced by the advantages of technology in their life. So they will be happy in making the life easier using the technology such as the E-Banking services, no delay, no waiting lines at banks, 24/7 hours viability....etc. Of course, some people are still using the traditional banking services which are normal.

5. As your point of view, what is the (PMA) role in supporting the bank's approach toward electronic banking? And what is needed for obtaining better outputs?

Arab bank considered Palestine Monetary Authority (PMA) is the leading of E-banking and Digital banking, PMA is continuing supporting the bank and all the banking sector are appreciated. PMA is working with the bank to enhance the E-

Banking and E-Payments in Palestine in a way that complied with all the related rules, regulations and standards such as Anti Money Laundry regulation (AML),

Also, PMA responsible for enforcing all the banks to comply with the most advanced cybersecurity and privacy solutions in offering their E-Banking services. This will be increasing the customer confidence and trustworthiness in E-Banking services, and accordingly increasing the usage by time.

Accordingly to Bank of Palestine, PMA has many projects together in advancing the E-banking services for the customers, PMA launched the National Switch 194 Project that connected all Banks ATMs together in one local network .and away that increase the efficiency of use of these ATM and reduces the cost on all banks customers. Now, the bank and PMA is working with a similar project but of Point of Sales (POS

PMA considered the E-Banking services are one of the financial inclusion drivers. PMA is supporting the bank in enhancing the legal and regulations related to the E-Banking for protecting the customers and the bank.

Cooperation of all primary stakeholders (PMA, the banks, and the Palestinian government) in leading the E-banking services and integrating them with government services, will be improving the customer experience and increase their satisfaction.

CHAPTER V: SUMMARY, CONCLUSION & RECOMMENDATION

This is the final section of the study, which includes: the study summary, conclusion results, and the recommendation for the interested people and researchers.

5.1 STUDY SUMMARY

The study examines the impact of E-Banking strategies on the customer's satisfaction on 8 banks in Palestine. The study main hypothesis is: There is a significant positive impact on the customer's satisfaction for electronic banking.

The study applies two approaches for that, one is the qualitative approach, by have two interviews with Management of Arab bank as one of the foreign banks, and Bank of Palestine as one of the local bank. Both banks represented their E-Banking strategies and the reasons behind these strategies by answered five main questions designed for the interview. A second is a quantitative approach, 450 questionnaires distributed on E-Banking usage customers from eight banks, 347 participants successfully response on the questionnaire and used in the analysis.

The questionnaire applied a customer satisfaction model includes five main parameters (variables) to measure the level of customer satisfaction, which is Easy of use, reliability, information Security and privacy, cost and fees and availability.

The study null hypothesis was rejected and the alternative hypothesis was accepted. Three out of the five sub-hypotheses were accepted, All Easy to Use, Information Security and privacy and availability as independent variables have a positive impact on customer satisfaction, while the other two sub-hypotheses for the Cost and Fees and the reliability as independent variables were rejected.

5.2 CONCLUSION

E-Banking services became essential channels for all banks to survive and compete in Palestine. This evidenced by the banks E-Banking strategies and plans explained in the interviews with two of the top banks in Palestine (Arab bank and Bank of Palestine), Both banks had implemented E-Banking strategies in the past and have new strategies for the future to go deeply in E-Banking services and digital banking for enhancing the customers' experience and satisfaction. Focusing on the coming new generation.

There are directions from some banks in Palestine to expand their E-Banking services horizontally by adding more E-banking channels similar to mobile banking and internet banking. And to expand vertically also by increasing the banking services in each channel such as payments, transfers, account management ...etc. , to make more and more banking services available for the customers away from the physical branches.

It seems there is an exchanged positive relationship between E-Banking strategies and Customer satisfaction. What is that mean? It means, the banks by offering E-Banking & digital services for their customers, they are working to increase the customers' satisfaction toward them. This is proved in this study. On the other side, the customers are seeking E-Banking services to be more satisfied with the bank. In sum, E-Banking services became an important competitive advantage for the bank in the market. The quality of the E-Banking services are essential and what are the added values for the bank's customers. The E-banking services have to offer comprehensive banking solutions the customers considering the variables that impacted on their satisfaction level which are Easy to Use, Information Security and privacy, availability.

Customers' satisfaction is one of the drivers for E-Banking strategies. There are many other essential drivers such as the operational cost, the risks, the work efficiency, the service viability, and the responsibility. That could be covered in other studies and researches.

5.3 RECOMMENDATION

The scope of this study has crucial importance in the banking sector in Palestine, studying the effects of the electronic banking services provided on the customers' satisfaction is an vital factor in the decision making process for the Palestinian Monetary Authority (PMA), Banks in Palestine, Palestinian Government, decision makers, Academic people, and the students. The recommendations of this study are as follows:

- The advancement in technology is improving the banking sector performance, services, and enhance the efficiency in a way that all banks need to move in this approach and apply the E-Banking services to their customers to attract, keep and grow them. The youth generation is banking and will be banking with the most digital bank. This becomes a part of their behavior.
- The Palestinian people represented by the sample used in the data analysis are satisfied in their experience with E-banking services, but the banks have to focus more in the main variables considered in this study to enhances their customer experience by including more banking services in the E-Banking that customer can execute such as account opening, more payment options, and credit facilities that minimizing the need of customer to visit the bank physical branch.
- One of the key point in E-Banking services in addition to improving the usage rate, is the service access, the more you make accessing the E-banking service is easier by the customers the more they have. Introducing the Smart Personal Identification Card (ID card) by the Palestinian government to the citizen with full integration with the banking sector will be helping banks to improve the access process for E-banking services.
- The PMA and the banks need to work on an awareness campaign for the E-banking services details, includes how to get? How to use? What are the offered services? What is the related cost per service? How much the service is secured? What are the benefits of services compared with traditional banking services through the branches? Clarifying all these for the end-user (Customer) will be increasing their trust-worthiness in E-banking services and maximize the utilization and usage.

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ANNEXES

The study has the below annexes:

- ANNEX (1): THE QUESTIONNAIRE
- ANNEX (2): LIST OF INTERVIEWED BANKS.
- ANNEX (3): THE INTERVIEWS DETAILS.

ANNEX (1): THE QUESTIONNAIRE

البيانات الشخصية و السكانية القسم الأول :		
الرمز	المعيار	الخيارات
PINQ1	الجنس	(1) ذكر <input type="checkbox"/> (2) انثى <input type="checkbox"/>
PINQ2	الحالة الاجتماعية	(1) <input type="checkbox"/> أعزب (2) <input type="checkbox"/> متزوج (3) <input type="checkbox"/> مطلق (4) <input type="checkbox"/> ارمل
PINQ3	العمر بالسنوات	(1) <input type="checkbox"/> أقل من 18 (2) <input type="checkbox"/> 18-24 (3) <input type="checkbox"/> 25-34 (4) <input type="checkbox"/> 35-44 (5) <input type="checkbox"/> 45-54 (6) <input type="checkbox"/> 55-64 (7) <input type="checkbox"/> 65 عام وأكثر
PINQ4	المهنة	(1) <input type="checkbox"/> موظف قطاع عام (2) <input type="checkbox"/> موظف قطاع خاص (3) <input type="checkbox"/> عمل مهني (4) <input type="checkbox"/> عمر حر (5) <input type="checkbox"/> لا اعمل (6) <input type="checkbox"/> أخرى
PINQ5	المؤهل الأكاديمي	(1) <input type="checkbox"/> دكتوراه (2) <input type="checkbox"/> ماجستير (3) <input type="checkbox"/> دبلوم عالي (4) <input type="checkbox"/> بكالوريوس (5) <input type="checkbox"/> دبلوم (6) <input type="checkbox"/> ثانوية عامة (7) <input type="checkbox"/> أخرى.....
PINQ6	الدخل السنوي بالدولار	(1) <input type="checkbox"/> أقل من 12 ألف دولار (2) <input type="checkbox"/> \$12,001 - \$24,000 (3) <input type="checkbox"/> \$24,001 - \$36,000 (4) <input type="checkbox"/> \$36,001 - \$48,000 (5) <input type="checkbox"/> \$48,001 - \$60,000 (6) <input type="checkbox"/> أكثر من 60,000 دولار (7) <input type="checkbox"/> أخرى
PINQ7	مكان السكن	(1) <input type="checkbox"/> محافظة جنين (2) <input type="checkbox"/> محافظة طولكرم (3) <input type="checkbox"/> محافظة قلقيلية (4) <input type="checkbox"/> محافظة طوباس (5) <input type="checkbox"/> محافظة نابلس (6) <input type="checkbox"/> محافظة سلفيت (7) <input type="checkbox"/> محافظة رام الله و البيرة (8) <input type="checkbox"/> محافظة القدس (9) <input type="checkbox"/> محافظة بيت لحم (10) <input type="checkbox"/> محافظة الخليل (11) <input type="checkbox"/> محافظة اريحا (12) <input type="checkbox"/> محافظات غزة (13) <input type="checkbox"/> أخرى
PINQ8	هل تحتفظ بحساب بنكي في فلسطين ؟	(1) <input type="checkbox"/> نعم (2) <input type="checkbox"/> لا
PINQ9	إذا كان اجابة السؤال السابق نعم ، يرجى اختيار اسم البنك / البنوك التي تتعامل معها ؟ (*) الترتيب حسب قيمة الموجودات (2017)	(1) <input type="checkbox"/> بنك فلسطين (2) <input type="checkbox"/> البنك العربي (3) <input type="checkbox"/> البنك الوطني (4) <input type="checkbox"/> بنك القدس (5) <input type="checkbox"/> البنك الاسلامي العربي (6) <input type="checkbox"/> البنك الاسلامي الفلسطيني (7) <input type="checkbox"/> بنك القاهرة عمان (8) <input type="checkbox"/> بنك الاسكان للتجارة و التمويل (9) <input type="checkbox"/> بنك الاردن (10) <input type="checkbox"/> بنك الاستثمار الفلسطيني (11) <input type="checkbox"/> البنك الاهلي الاردني

	(12) <input type="checkbox"/> البنك التجاري الاردني (13) <input type="checkbox"/> البنك العقاري المصري العربي (14) <input type="checkbox"/> مصرف الصفا	
PINQ10	(1) <input type="checkbox"/> خدمة الصراف الآلي ATM (2) <input type="checkbox"/> خدمة الانترنت البنكي (3) <input type="checkbox"/> الخدمة البنكية من خلال الموبايل (4) <input type="checkbox"/> الخدمة البنكية من خلال الهاتف (5) <input type="checkbox"/> اخرى (6) <input type="checkbox"/> لا يوجد	هل لديك اي من الخدمات البنكية الالكترونية التالية يرجى تحديد واحد او أكثر
PINQ11	(1) <input type="checkbox"/> خدمة الصراف الآلي ATM (2) <input type="checkbox"/> خدمة الانترنت البنكي (3) <input type="checkbox"/> الخدمة البنكية من خلال الموبايل (4) <input type="checkbox"/> الخدمة البنكية من خلال الهاتف الثابت. (5) <input type="checkbox"/> اخرى (6) <input type="checkbox"/> لا يوجد	هل تستخدم اي من الخدمات البنكية الالكترونية التالية يرجى تحديد واحد او أكثر ؟
PINQ12	(1) <input type="checkbox"/> خدمة الصراف الآلي ATM (2) <input type="checkbox"/> خدمة الانترنت البنكي (3) <input type="checkbox"/> الخدمة البنكية من خلال الموبايل (4) <input type="checkbox"/> الخدمة البنكية من خلال الهاتف الثابت. (5) <input type="checkbox"/> اخرى (6) <input type="checkbox"/> لا يوجد	ما هي اكثر خدمة بنكية الكترونية تستخدمها ؟ يرجى اختبار واحدة فقط

القسم الثاني : الاسئلة الخاصة بمعرفة رأيك وتجربتك عن الخدمات البنكية الالكترونية

يرجى اختيار واحدة من السبع خيارات ادناه:

1. غير موافق بشدة
2. غير موافق
3. غير موافق لحد ما
4. محايد
5. موافق لحد ما
6. موافق
7. موافق بشدة

[illegible]

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	خدمة الموبايل البنكي لا تتطلب الكثير من الجهد	EoUQ5 (5)
غير موافق بشدة	غير موافق	غير موافق لحد ما	محايد	موافق لحد ما	موافق	موافق بشدة	ثانيا : الاعتمادية و الثقة Reliability	الرمز Code
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	استجابة موظفي البنك لجميع الاستفسارات المطلوبة ممتازة ؟	RBTQ1 (6)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	العمليات البنكية الالكترونية سريعة جدا ؟	RBTQ2 (7)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	يمكن الاعتماد على الخدمات البنكية الإلكترونية لتلبية احتياجات العملاء بشكل كبير ؟	RBTQ3 (8)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	الخدمات البنكية الإلكترونية تسعى إلى تحقيق احتياجات العملاء ؟	RBTQ4 (9)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	البيانات الخاصة بالخدمات البنكية الإلكترونية واضحة ودقيقة ؟	RBTQ5 (10)
غير موافق بشدة	غير موافق	غير موافق لحد ما	محايد	موافق لحد ما	موافق	موافق بشدة	ثالثا : امن المعلومات و الخصوصية Information Security & The Privacy	الرمز Code
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	استخدام الخدمة البنكية الالكترونية عبر الانترنت يشعرني بالخصوصية	ISPQ1 (11)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	الرقم السري الخاص بالخدمات البنكية الالكترونية آمن	ISPQ2 (12)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	الحركات المصرفية التي تجريها من خلال الخدمات البنكية الالكترونية تعتبر آمنة	ISPQ3 (13)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	انا واثق بمستوى الأمان على الخدمات البنكية الالكترونية	ISPQ4 (14)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	انا اشعر بالأمان عند استخدام اجهزة الصراف الالي ATM	ISPQ5 (15)
غير موافق بشدة	غير موافق	غير موافق لحد ما	محايد	موافق لحد ما	موافق	موافق بشدة	رابعا: التكلفة و العمولات Cost & Fees	الرمز Code
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	الرسوم المطبقة على الخدمات المصرفية الإلكترونية مقبولة مقارنة بالخدمات المصرفية التقليدية؟	CnFQ1 (16)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	استخدام الخدمات البنكية الإلكترونية يوفر التكلفة المتعلقة بزيارة البنك	CnFQ2 (17)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	في حال قمت بعملية بنكية من خلال الخدمات البنكية الالكترونية و لم تنجح، فان تكلفة متابعتها مقبولة لديك	CnFQ3 (18)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	الوقت المستغرق في متابعة العمليات المصرفية الإلكترونية غير الناجحة مقبول لديك؟	CnFQ4 (19)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	تكلفة الاداة (القناه) التي تسمح لك بتنفيذ العمليات المصرفية الإلكترونية مقبولة (مثال : اتصال انترنت ، جهاز حاسوب ، تابلت ، موبايل الخ)	CnFQ5 (20)
غير موافق بشدة	غير موافق	غير موافق لحد ما	محايد	موافق لحد ما	موافق	موافق بشدة	خامسا : توفر الخدمة Availability	الرمز Code
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	اقوم بتنفيذ العمليات المصرفية الإلكترونية من أي مكان؟	AVBQ1 (21)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	اقوم بتنفيذ العمليات المصرفية الإلكترونية في أي وقت ، على سبيل المثال ، عطلة نهاية الاسبوع؟	AVBQ2 (22)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	اقوم بتنفيذ العمليات المصرفية الإلكترونية أثناء السفر؟	AVBQ3

							(23)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	AVBQ4 يقوم البنك بتقديم الدعم اللازم من خلال موظفيه (24) لمستخدمي الخدمات الإلكترونية في العطلات ؟
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	AVBQ5 تتوفر الخدمات المصرفية الإلكترونية في جميع (25) الأوقات؟
غير موافق بشدة	غير موافق	غير موافق لحد ما	محايد	موافق لحد ما	موافق	موافق بشدة	الرمز سادسا: الرضا عن الخدمات البنكية الإلكترونية Satisfaction on E-Banking Code
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	EBSQ1 توقعاتي قبل استخدام الخدمة البنكية عبر الانترنت (26) تحققت بعد الاستخدام والتجربة
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	EBSQ2 اجد خدمة الصراف الآلي ATM سهلة ومناسبة (27)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	EBSQ3 انا راضي بشكل كبير عن الخدمة البنكية عبر الانترنت (28)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	EBSQ4 انا راضي بشكل كبير عن الخدمات المقدمة من خلال (29) الموبايل البنكي
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	EBSQ5 بشكل عام ، انا راضي عن الخدمات البنكية الإلكترونية (30) المقدمة من البنك الذي اتعامل معه .

The questionnaire had been evaluated by:

- Dr. Naser AbdelKarim – AAUP – College of Postgraduate studies.
- Dr. Khalid Rabaya – AAUP – College of Postgraduate studies.

ANNEX (2): LIST OF INTERVIEWEE BANKS

Bank's Name	Bank's Group	Person's name	Person's Position
Arab bank	Foreign bank	Mr. Jamal Hurani	Regional Manager
Bank of Palestine	Local bank	Mr. Hassan Afifi	Chief Information Technology officer

ANNEX (3): THE INTERVIEWS DETAILS.

The study examined the answer to each question from Mr. Jamal Hurani and then from Mr. Hasan Afifi together to have a concentrated overview.

1. What are the bank's Five-year approach and Plan towards integrating the electronic banking services?

Mr. Hurani answered:

“Arab Bank is a big bank, with a global and huge banking network across the world, the total Banks' assets in Palestine by the end of December 2017 reaching \$3.47 billion US Dollars. Arab Bank is seeking to become the leading banks in the Arab world, by inspiring the global banking development in two main sides: a) the banking policies and procedures referring to the Basel regulations and the global regulations b) the financial technology or digital development in the world. Arab Bank is considered an advanced digital bank, by introducing E-Banking services to our customers. Since more than three years, Arab bank submitted a plan for restructuring all the hardware and software, by implementing several action plan simultaneously, which includes Centralizing the database on a country level, backing up the middle-ware, loading all the balances, Mirroring and installing a wide telecommunications connections between all countries. Arab bank E-banking services such as Automatic Teller Machine (ATM), Internet Banking, Mobile Banking and Phone banking via the Call Center are being implemented on the middleware. All E-Banking services are integrated together in a way they are providing 360 degrees of banking experience for the customers. E-Banking services are available anywhere and anytime, and not limited to the location and time of bank's branches opening hours. Within the Incoming five years, the bank is going ahead in advancing the E-Banking services including the ATMs and Interactive Teller Machine (ITM), by expanding their network inside Palestine in one hand, and offering more banking services in the ATM/ITM such as Instant cheque deposits and more services for the customers on another. Cash deposits are available in the bank ATM since many years ago, which is available for all valid

currencies in Palestine. Arab Bank is going for a leap in advancing the Mobile banking services. The customer will have a new experience while using the new mobile banking application soon. Internet banking is also under development for the user as an interface or platform and also in the types of available banking services inside Internet banking by adding more services such as cards and payments services. The customers will be able to execute and get more and more banking services, by just using the E-Banking services in coming years. The bank's plan was considering all the legal and technical environment in Palestine, by Inspiring the global advancement and progress in the banking industry worldwide. Of course, any development is subject to the legal and control acceptance of the Palestine Monetary Authority (PMA) in Palestine before being implemented. Arab Bank keeps leading the digital banking industry in Palestine, through its advanced E-Banking services offered to their customers for years now and for the upcoming years”

Mr. Afifi's answer was:

“E-Banking Services are considered a comprehensive system that allows clients to easily reach the bank services, using high-tech tools anywhere and anytime, and not limited to the traditional bank's branches. E-Banking system includes Internet banking, Mobile Banking for both Retail and corporate clients. We have Call Centers functioning either through the client calling the bank's call center representative via phone, to answer their inquiries. But the issue in this model is requiring more employees to meet their needs timely, and secure the service, especially in the peak time. Or either through the Interactive voice recognition system (IVR), which answers the clients' inquiries electronically by phone, with no human intervention. Moreover, the USSD banking service had introduced recently to the bank's clients. The service doesn't need an internet or smartphone access since it's based on the voice plan of the phone. And that targeted a big segment of clients. Point of Sale (POS) is considered one of the parts of E-Banking services for the BOP and now it became as Point of Services allow the clients to do banking

transactions such as Bill Payment, Tuition Payment, Donation either Cash or using Cards. This is an advantage for Palestine. Of Course, add to that Automatic Teller Machine (ATM), which is one of the basic E-Banking services that BOP focuses on enhancing. By introducing more services rather than the cash deposit cash withdrawals services such as cheque deposit service that integrated directly electronic cheque clearing system initiated and owned by Palestine Monetary Authority PMA, with no human intervention is involved. And also Bill Payment services to be added on the ATM services. "ATM" Machines are huge in the Banking Sector and in BOP as we have more than 170 ATMs with hundreds of thousands of users in Palestine with an average of more than 2 transactions per a month. The BOP is looking for the E-Banking services differently from the Corporate and Retail customers and going to enhance such services to understand each need and fulfill it. Dealing with individuals is much easy rather than dealing with companies includes employees, offices, corporates services e.g. Letter of Credit and Letter of Guarantees. And this is part of the bank strategy for the coming years. The awareness and the Trust of the individual and corporate customers are critical to improving the usage of E-banking services, considering the nature of the business, the financial structure, the authority Matrix and all other specific conditions in the corporate, which should be covered in E-Banking services monthly and securely within the company's internal procedures. E-Government is one of an essential part of the bank strategy, by integrating the government financial services such as Fees, charges, taxes, fines with the bank's financial system (E-Payment system) or E-Payment gateway. The Payment gateway is not limited to the government, the Palestine market is growing in this sector by introducing the E-Commerce or line shopping side by side with traditional commerce services. E-commerce includes three main Parts, First is the Merchant site or Platform used to offer the goods and services that could be accessed via the internet, the second is the Logistics of delivering and inventory Management issues, the Third and the final one is the Payment gateway that manages the financial relationship between the buyer and the seller. Currently, the merchant applies "Cash on delivery" COD option for the customers as one or May the only one

Payment option, but of course not the efficient one due to the related Risks in this payment method such as cash delivery. This is also opposite the PMA National strategy regarding the E-Payments and minimizing Cash usage in the financial and trading sector transactions in Palestine. E-Payment services could be used easily by using any type of cards, Credit, Debit or wither Cash cards via VISA and MasterCard © Companies. E-wallets services are coming soon also via PALPAY company as an owned company by the BOP. These services are targeting unbanked people also as an option for payment, under the PMA umbrella”.

2. What are the main reasons behind this approach?

Mr. Hurani answered:

“First: for continuity and survival purposes, as the world is changing and developing quickly, so this is a must for the Arab Bank to cope with such changes and to continue developing the systems, programs, and banking operations, and to utilize the technological advances in the world. This way of work is what makes the Arab Bank a leading Arab Bank ever since its establishment in 1930 and until now and hope as well for the future.

Second: The changes in the customers' needs, especially being the youth involved. The youth generation needs a banking service to be involving technology. Thus, they will be looking for banks that offer such E-banking services. So the bank needs to balance between the needs of the existing customers and the new targeted customers’.

Third: The bank continues moving toward improvement, development, and advancement. The digitalization of banking services will be enabling the bank to attract new targeted customers, to expand the market shares and business operations. So E-Banking expanded in the banks drastically, by introducing more services and adding more customers.

Fourth: Electronic and digital banking services enable the bank to the best use of resources and reduction of cost, in a way, reducing the pricing for customers as well. Also, it's a strong competitive advantage to possess. E-Banking facilitates the financial inclusion for all customers since banks are considered nowadays a part of the customer lifestyle in every region and it is not luxury service like it used to be. Investing in E-Banking will achieve this efficiently and cost-effectively and will attract more customers that end up with more profits''

Mr. Afifi's answered as follow:

- 1. E-Banking services are considered illustrious services by the client since they are provided anywhere and anytime, not limited to the banking working hours in the bank's physical locations. And this could be considered as one of the Bank's competitive advantage.*
- 2. E-Banking is a cost-efficient investment since its return is distributed throughout many years in the future, with a fixed investment rate. New banking has less running cost, compared with the traditional banking services via the branches.*
- 3. Since the cost of E-Banking services is manageable and controllable. This allows the bank to offer less cost banking services and better prices, comparing to the same services provided by the physical branch. That leads to a Win-Win relationship between the banks and the clients.*
- 4. The Bank needed to apply the E-Banking and utilize the advanced technology of the banking industry to meet the clients' needs and expectations, to cope with the external environment, industries, and customers' needs, the, Especially that the local market is now opening for the global markets and Businesses, either in banks' services or businesses that rely on the bank's Electronic services such as E-Commerce, which means for some businesses will not survive.*

5. *FinTech companies arisen in Palestine by the Entrepreneurs, combination by 4 to 5 persons together, they are entering the market and competing for the banks in E-Services solutions, and its challenge for the bank how to deal with, eat, work together or compete in this services. And this increases the stress on the banks to move forward in the Electronic services and apply the most advanced technology also.*

3. How was the impact of the Palestinian environment (Infrastructure, Human Power, Technology and systems) with the electronic banking adoption and usage by the customers?

Mr. Hurani replied:

“I shall consider each parameter, to reflect a full picture at the end. The Palestinian infrastructure is good enough in a rational sense, if we are looking to have a landline connection, an Internet connection, or even a 3G service connection, all of these are good motivators, despite being relatively old, 3G is able to obtain internet access, wherever and whenever you are. What do we need more? To get more usage, we need more investment in infrastructure, e.g. a faster landline connection and less hardware and software cost on the end-users for the wireless connection. Palestinian human resources have the skills and knowledge to advance in the technology, by investing in the IT sector, leading to the Palestinian economic development.

The IT systems in the banking sectors are mostly global systems developed from big companies worldwide. But FinTech – Financial Technology is a local alternative for banks with a financial solution based on smartphone and PC applications. The banks may use such applications, integrating with the core banking systems upon to their reliability, trustworthiness and Privacy protection. Arab Bank has developed an innovation center for encouraging and supporting FinTech investments and pioneered ideas to make them come to life.

The question is now, would the customers use this technology and systems? The new generations will definitely use such technology and Electronic services, on top of that, they will avoid all physical and traditional bank services. On the other hand, the elder generations will not use such services, they may be more hesitated or delayed in accepted and use E-Banking. Thus, the bank has to work in the following:

- 1. Introducing orientation sessions for the elderly customers, in order to earn the knowledge they need in E-Banking, and to enrich the trustworthiness of all customers regarding the IT systems and Electronic banking services, and reducing the fear of not having Privacy*
- 2. The customer slow transition from traditional banking services to E-Banking services is crucial in building the trust and confidence of the customers without feeling any fear. Arab bank is now integrating the E-Banking services with traditional services such as the Electronic signature, Finger vein, and Self-Cash deposits services then. The customers will be using Electronic banking services in no time.*
- 3. Prizes could be a strong drive for customers for E-banking since they will be earning money in using E-Banking. And this is a method is implemented by the Arab Bank.*
- 4. Protecting the rights of customers in using E-Banking, by enhancing the legal aspect in it, which will minimize their worries and they feel safe and protected.*

Mr. Afifi replied:

“Regarding the infrastructure, the Palestinian environment is able to go for 3G technology, while the developed countries are going for 5G technology. Payment gateway for E-Commerce is acceptable, the logistics need more work for better services, but the Political situations and the difficulties of movement between areas timely are other factors affecting it as well.

The undergraduate students in the universities need to be more connected with the work environment since there is a gap between the market needs of technology

and the university's academic programs. And this is critical to utilize this very banking services and systems.

The level of awareness is still an issue for the Palestinian people. They prefer traditional banking services and visiting the branches. Which means that the banks have to work more on increasing the clients' awareness on e-Banking services, in a way that increases their trust in it and reduce their traditional way of doing banking''

4. Do you think that the customers' satisfaction toward electronic banking services is more than the traditional bank's branches services? And why?

Mr. Hurani answered:

“There are two main groups: one using E-Banking services and the other group visiting the branches physically. Even though we know that E-Banking services could be accessed anywhere and anytime, using any electronic device e.g. PC, Laptop or smartphone with an internet connection. However, some actions require the client to physically come to the bank and to be executed by the bank's employees. So as long the traditional banking services are being offered in the bank's branches the investment in human power continues, and their capacity development is required.

E-banking services have many advantages over traditional services:

- 1. Accuracy execution.*
- 2. The Ability to review and checkup the E-Banking applications/transactions whenever and wherever they want.*
- 3. The high-speed execution.*

Therefore the faster the customers are aware of the advantages of E-Banking services, the faster their willingness to move to E-Banking services ”.

Mr. Afifi replied:

“E-Banking services aim to increase the customer’s satisfaction, by reflecting the advantages of E-banking services vs. the traditional banking, as we will find some people are still using the traditional way, which is normal.

The people behavior is changing over time, and technology has a great influence on such of these changes. The availability 24/7, the efficiency, the no waiting in lines and the low cost of E-banking services are all examples for reasons that will increase the customer satisfaction in using E-banking services”.

- 5. As your point of view, what is the (PMA) role in supporting the bank’s approach toward electronic banking? And what is needed for obtaining better outputs?**

Mr. Hurani replied:

"The Palestine Monetary Authority (PMA) is supporting the electronic banking services in the banking sector. For us, the (PMA) granted the Arab Bank full support regarding the technological transformation Plan since 3 years ago. The (PMA) has been always responsible for ensuring E-Banking services country comply with the rules and regulations the and the Anti Money Laundry (AML) Global regulations, through a controller and a the motivator for the Palestinian banks from another side to enhance the financial inclusion of Palestinian people and increase the coverage of banking services for many different areas and locations to be close as much as can to the targeted customers”

“National Switch 194” project is one of the real evidence of supporting and pushing PMA toward the best use of technology and enhancing the E-banking services. Moreover, PMA is working on many innovated projects and regulations such as new payments companies licensing inside Palestine.

PMA has a critical role in enforcing the compliance of the banks regarding the privacy issues in the E-banking services and cybersecurity. Avoiding and mitigating any potential risks related to the E-Banking services is an essential goal for the Palestine Monetary Authority with the banks to keep the customer's information, money or Trustworthiness relationship.

The continuous improvement for (PMA) in the controlling procedures are critical for the bank.

Mr. Afifi's answer was

The Palestine Monetary Authority (PMA) has a great role in introducing technological aspect in the banks services, as the owners of big projects that motivate the E-Banking industry in Palestine, such as – E-Payments companies, the “National Switch 194” projects that connecting all Banks' ATMs together and reduce the cost of clearing between the banks in a way that reduce the cost of services for the clients significantly.

The bank is working with the (PMA) for a new project similar to National Switch 194 for Point of Sale Machines (POS) also. The (PMA) is supporting the E-Banking services implementation, but it depends on each banks' trends and strategies, to expand such services for the clients under the control of the (PMA).

Also, the E-Banking services are achieving the financial inclusion that is applied by the (PMA) under the Financial Inclusion strategic plan 2019-2024 (The Palestine Monetary Authority, 2018)

The bank introduced with the support of the (PMA) several methods, all under the electronic operations law for Internet banking, to protect the customers and to be legally accepted in the courts of law., for example of these methods: onboarding registration, this method facilitates access to Internet banking, without a need to visit the branch physically, which means increasing the subscribers in time. Also,

there is the method of Smart ID card, for the Palestinian citizens that need to have online products or services.

In conclusion, the Bank will embrace E-services and digitalizing the current human operations services by time. But the country needs to avoid many obstacles, within the government level to succeed.

الملخص باللغة العربية

الخدمات البنكية الرقمية قد تصبح العصر الجديد للبنوك في فلسطين ، الخدمات البنكية الالكترونية أصبحت جزءا مهما من الخدمات البنكية في معظم البنوك العاملة في فلسطين ، جنباً الى جنب مع الخدمات البنكية التقليدية المقدمة من خلال شبكة الفروع المنتشرة لكافة البنوك في فلسطين .

مع مرور الوقت مزيداً من البنوك في فلسطين تتحول الى الخدمات البنكية الالكترونية مستفيدة من التطور الكبير في تكنولوجيا المعلومات والاتصالات ، ورغبة منها في تحسين تجربة العملاء وزيادة رضاهم . بالإضافة الى زيادة فعالية الخدمات البنكية كون الخدمات البنكية الالكترونية يمكن ان تتوفر على مدار 24 ساعة باليوم و 7 ايام في الاسبوع للعملاء دون التقيد في ساعات العمل الرسمية للبنوك في فلسطين لتقديم خدماتها ، اضافة الى تقليل العمليات المصرفية و المصاريف المتعلقة بها على البنوك .

تبحث هذه الدراسة في العلاقة بين استراتيجيات الخدمات البنكية الالكترونية متمثلة بالخدمات البنك الالكترونية المقدمة للعملاء ومستوى رضا المستخدمين (العملاء) . تحاول الدراسة الاجابة عن سؤال رئيسي و هو ما تأثير استراتيجيات الخدمات البنكية الالكترونية على رضا الزبائن (العملاء) في القطاع المصرفي الفلسطيني . استخدمت الدراسة طريقتين واولوبين علميين للاجابة عن هذا السؤال و هما :

1. من خلال استبانة تم تصميمها من خمسة متغيرات تؤثر على مستوى رضا الزبائن ، حيث تم توزيعها بنجاح على 347 مشارك من عملاء البنوك في فلسطين ، حيث شارك ثمانية بنوك من اصل اربعة عشر بنكا عاملة في فلسطين في تعبئة الاستبانة من قبل عملائها الذين يحتفظون بحساب بنكي ولديهم على الاقل خدمة بنكية الكترونية واحدة يستخدمونها فعليا .
2. من خلال مقابلات مباشرة مع ادارة بنكيين عاملين في فلسطين هما البنك العربي - فلسطين كاحد البنوك الوافدة وكذلك بنك فلسطين كاحد البنوك المحلية ، علما ان كلا البنكين يعتبران من اكبر البنوك العاملة في فلسطين من حيث المؤشرات المصرفية (حجم الموجودات ، حجم الودائع و التسهيلات الخ). الهدف من المقابلات هو للحصول على معرفة معمقة عن استراتيجيات كلا البنكين تجاه الخدمات البنكية الالكترونية و الاسباب التي تقف وراء تبنيهم تلك الاستراتيجية . في ضوء انطلاق خدمات الجيل الثالث للانترنت اللاسلكي في فلسطين فقد أصبحت خدمات الانترنت متوفرة في جميع الاوقات و الاماكن ومتاحة للجميع بسهولة اكثر من قبل .

وجدت الدراسة من خلال تحليل البيانات انه يوجد علاقة ايجابية وقوية بين الخدمات البنكية الالكترونية ومستوى رضا العملاء المستخدمين لهذه الخدمات - والذي يعتبر دليلا وسببا لبناء استراتيجيات من قبل البنوك العاملة في فلسطين خاصة بالخدمات البنكية الالكترونية كجزء مهم من منظومة العمل المصرفي في المستقبل بما يساهم في قدرتهم على البقاء - المنافسة و التطور في السنوات القادمة و كذلك تحقيق واحد من اهم اهدافها و هو الحصول على عملاء جدد و المحافظة على عملائهم الحاليين . ونتيجة لذلك فان الدراسة رفضت فرضية انه لا يوجد علاقة بين الخدمات البنكية الالكترونية ورضا الزبائن.