

CHAPTER 5 CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The study discovers that satisfaction was the central of construct explaining customer loyalty and intention to positive WOM in an Internet Banking setting in the Malaysian market. Specifically, customer loyalty to the website of a financial service provider is closely associated to the levels of satisfaction with customer interactions with that website. This relationship is consistent with previous marketing literature that has remarked that customer satisfaction can be thought of as a basis for loyalty (Bontis et al., 2007; Anderson and Srinivasan, 2003; Oliver, 1999). Satisfied customers encourage positive WOM – this result is consistent with research model proposed by Bontis and Booker, 2007. In addition, this paper also introduces the indirect effect of satisfaction to WOM through loyalty. This suggests that satisfied and loyal customers could be essential ingredients to positive WOM to an Internet Banking website.

Finally, the result reveals that website usability is an indirect antecedent of customer loyalty and positive WOM through satisfaction. The finding on the relationship between website usability and satisfaction is consistent with most of the studies on Internet Banking website using TAM model (e.g. Brady and Phillips, 2003), that is, user satisfaction is related to successful navigation – ease of use. However, this finding clearly illustrates that when customers feel the website would be easy to use, greater levels of loyalty and positive WOM will be created. This implies that for banks in the case, their website design

should be usability centric rather than only emphasizing on visual appeal to improve customer satisfaction

5.2 Implications and Recommendations

From a scholar point of view, this is the first study to confirm that PWOM can be achieved through website usability, customer satisfaction and dedicated loyal customers' active contribution for Internet Banking website in Malaysia.

The results obtained in this study have several important implications to Internet Banking service providers may it be banks or software solution vendors. First and foremost, the findings demonstrate the importance to capture and manage WOM from existing customers. Marketing practitioners and theorists routinely cite the power of the personal referral on customer behavior. To date, customer referral programs have been regarded as a tool "for expanding customer bases" (Verlegh et al., 2003). However, relatively few companies have tried to harness the power of WOM (Buttle, 1998). In Malaysia, it has been obvious that banks are focusing efforts on maximizing customer satisfaction and loyalty but displaying a lack of knowledge in measuring and managing WOM. Findings from this study provide important implications for Internet Banking service providers on needs to recognize WOM as an important driver of online consumer behaviors while struggling in proving customer satisfaction and creating loyal customers for their Internet Banking website. Moreover, Internet has had a profound impact on both the reach as well as measurability of WOM (Dellarocas and Narayan, 2006). The emergence of a diverse mosaic of Internet-mediated communities (product

review sites, discussion groups, instant messaging chat rooms, web logs. etc.) has allowed bank consumers to easily share opinions on products and services.

While banks in Malaysia are questioning how to take advantage of these communities or networks, many foreign banks are quickly realizing the value in WOM over the Internet and making changes to tap into consumers' opinions for new opportunities. For instance, Bank of America has begun to "tweet" and Citigroup has launched Facebook page in 2009 (Chu, 2009). Of late, a local bank CIMB has setup a social media team to manage their online community by listening directly to consumers' individual voices for better understanding of their behaviors and motivations (CIMB, 2010).

In view of Internet banking in Malaysia has been slow to embrace this new, consumer-driven environment, the findings also suggest that the Internet Banking solution providers need to examine technologies that constitute the WOM management which could play out in the real world of Internet Banking (Cisco, 2009). The technologies listen and collect voices or comments, analyzing them, and are capable to aid the banks to understand the "why" behind customer behavior to continue to develop and engage customers (Hostrop and Akiba, 2010).

5.3 Limitations and Future Research

The study did not examine all individuals. This research investigated consumers who use Internet Banking in which the sample was limited to the

active users of Malaysian Internet Banking services. Hence, it would be a good idea to repeat the study using a wider sample size.

As the model is tested in Internet Banking setting, the validity of the results can be further tested by empirically examining other e-retail settings. Besides navigation, other elements such as speed, interactivity and attitude measuring website usability could be included into future studies. Moreover, this is one of the first attempts at investigating the effects of satisfaction on WOM in an Internet Banking context in Malaysia. It is plausible that there are additional factors that may influence a customer's satisfaction and subsequently engagement in WOM recommendation to be considered beyond those investigated here. Factors such as perceived value (Wang et al., 2004), trust (Walsh et al., 2008), degree of technological development (Johnson and Auh, 1998), retention, repeat purchase and reputation (Berens and Van Riel, 2004; Chun, 2005) as well as outcome of WOM are likely candidates for future research.