

Impact of E-Banking on Customer Value & Loyalty: A Study on Commercial Banks Working in Lahore, Pakistan

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Abstract:

Electronic Banking (E-Banking) is an emerging concept given to the banks that have to operate without physical location and render their services like deposits and withdrawals through internet as well as through mobile networks. Commercial banks operating in Lahore normally offers banking services to customers using electronic channels. The range of services offered by banks under E-banking are: Automatic Teller Machines (ATM) facility, E-fund transfers, online payments and receipts, E-statements, balance inquiry, and mobile banking etc. This study measures the impact of E-Banking services on customer value and loyalty. Purposive sampling technique is opted and final sample of 10 commercial banks is taken from list of State bank of Pakistan. Sample of 50 customers from each sampled bank was taken consisting of total 500 customers using E-banking services of commercial banks. Total 427 questionnaires are received (85.40% response rate) and found valid which are used to analyze the results with the help of various statistical tools such as mean, standard

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deviation, simple linear regression and ordinal regression. Linear regression and ordinal regression analysis revealed the same results that E-banking services have a direct and positive impact on customer value and loyalty.

Key words: E-Banking, Customer Value, Customer Loyalty

INTRODUCTION

Introduction of E-Banking:

Electronic Banking (E-Banking) is an emerging concept given to the banks that have to operate without physical locations and render their core services like deposits and withdrawals through internet as well through mobile networks (Sadeghi & Farokhian, 2011). E-Banking is an emerged term which gets the fame after the rapid advancement and proliferation of internet technology (Sumra, Manzoor , Sumra , & Abbas, 2011). In developed countries, E-Banking is considered as important pillar of banking services. Now days, every bank tries to facilitate their customers by giving them banking services at their door steps resulting in reduction of their bank visits personally (Sumra, Manzoor , Sumra , & Abbas, 2011)&(Omar, Sultan , Zaman, Bibi, Wajid , & Khan, 2011). The range of services offered by banks under E-banking are: Automatic Teller Machines (ATM) facility, E-fund transfers, online payments and receipts, E-statements, balance inquiry, and mobile banking etc. (Sadeghi & Farokhian, 2011), (Sumra, Manzoor , Sumra , & Abbas, 2011), (Raza & Hanif , 2011)&(Kaleem & Ahmad, 2008).In developed countries, E-Banking includes many more services in its portfolio such as managing investments and trading stock exchange transactions (Sadeghi & Farokhian, 2011).

Customer value is key element to get competitive advantage and long term success for the banks which can be

achieved by providing efficient service rendering system (Yan & Ding, 2010) and customers value also considered as key factor to regulate intentional behavior of loyalty towards the banks (Sidreshmukh, Singh, & Sabol, 2002). On the hand, customer loyalty has a significant effect of banks performance which is also playing an important role in E-banking and it is also considered as key element to get competitive advantage over rivals (Lam, Shankar, & Murthy, 2004).

Many studies have been conducted on E-Banking but there is space to study empirical evidence to measure the impact of E-Banking on customer's beliefs and attitude (Karjaluoto, 2002). In general, customer's value is highly reliant upon his choice, attitude and available services alternatives but his value can be enhanced by minimizing cost or maximizing benefits (Browning, 2003).The foremost objective of this study is to highlight the E-Banking services offered by commercial banks in Pakistan. The study furthermore unveils whether there is an impact of those E-Banking services on customer's value and loyalty.Therefore, this study primarily targets to measure the impact of E-Banking services of commercial banks on customer value and loyalty.Since there is a lack of studies conducted on E-banking effectiveness and its impact on customer value and loyalty in Pakistan. This empirical investigation will measure the E-banking impact on customer value and loyalty with special reference to commercial banks working in Lahore and will produce significant knowledge based on the findings of this study. Moreover, findings of this empirical study could be utilized by bankers for policy implications regarding E-banking adaptation and usefulness as well as for strategy formulation regarding customer value and loyalty enhancement through E-banking services. Moreover, future researchers could utilize this study for various factors regarding E-banking adaptation, customer value and loyalty

with special reference to commercial banks working in Pakistan.

Hypothesis of the study:

To achieve the objectives of this study, following hypothesis are posed:

1. **Objective:** To measure the impact of E-Banking services of Commercial Banks working in Lahore on customer value.

Hypothesis: There is positive impact of E-Banking services of Commercial Banks working in Lahore on customer value

2. **Objective:** To measure the impact of E-Banking services of Commercial Banks working in Lahore on customer Loyalty.

Hypothesis: There is positive impact of E-Banking services of Commercial Banks working in Lahore on Customer loyalty.

LITERATURE REVIEW

E-Banking relationship with Customer Value and Loyalty:

In past, there exist detailed discussion on customer value and E-services and many researchers concluded that there exist a relation with customer value and services provided by organizations and Peterson (1995) indicates that Customer value is considered as an integral tool for customer-organization relation based marketing. According to Mira et al., (2013) there exists two basic elements of customer perceived value as value gained by customer and value sacrificed by the customer.

Many studies have been found on customer loyalty and its relationship with E-banking services. Past research showed

that there exists a direct relation between customer loyalty and quality of services offered by organizations (Anderson & Sullivan, 1993). There exists a relation between services provided by organizations and loyalty and it has significant positive impact on customer loyalty (Zeithaml, 1996) whereas researcher also claimed that there is adverse customer loyalty on poor services provided by organizations and vice versa.

A model that explains factors affecting customer loyalty such as website layout, personal information safety and security and prompt response to customer complaints have significant impact on customer loyalty (Tam, 2004) whereas in a study conducted by Hsu (2007) also supported the findings and revealed that E-services have direct and significant impact on customer loyalty.

Past researchers have concluded that banks services influence customers loyalty and can increase their profitability by adding more to customer loyalty (Reichheld, 1996)&(Oliver, 1999) and this was supported by Reichheld & W. Earl Sasser (1990) & Reichheld (1993) by concluding that there is significant impact of E-services provided by organizations on customer loyalty. Therefore, these findings forced commercial banks to put more efforts on developing long life relations with customers by enhancing loyalty (Jacoby, 1998). Resultantly, it is evident that customer satisfaction with E-services plays an integral role to generate and increase customer loyalty (Cronin Jr., 2000).

On the contrary to above findings, Manhaimer (2007) concluded that there exists no impact of E-services on customer loyalty but it is affected by other determinants. According to this research, customer loyalty may be same for various products and E-services are not significantly considered as forecasting factor for customer loyalty, it may be varies as per the customer wants, needs and paying capacity. Furthermore, Cristobal et al. (2007) & Kourhouris and Alexndris (2005) also

negated the notion that there is positive and significant relation exists between customer loyalty and E-services provided by organizations.

An overview of Studies on E-Banking conducted in Pakistan:

Year	Author(s)	Purpose, Findings & recommendations
2015	Najaf & Najaf (2015)	<p>This study focused on E-banking services offered by commercial banks in Pakistan, benefits and its performance.</p> <p>This study reveals Majority of commercial banks introduced E-banking services to their customers due to low cost. Moreover, customer trust and loyalty is highly reliant upon banks repute, response rate towards customers, consistent policies, customers' needs understanding and efficient communication with customers.</p> <p>Commercial banks should develop and introduce system with zero error rates, control on hacking problems and unauthorized use of customer's information and use latest operating system.</p>
2015	Abbas (2015)	<p>The goal of this study was to examine the E-banking performance with the help of scale followed by assessing impact of E-banking on customer's satisfaction.</p> <p>This study showed that there is direct relation between E-banking services and customer satisfaction as well as significant impact of E-banking services on customer satisfaction and loyalty has been found also.</p> <p>Policy makers of E-banking services should focus on marketing of E-banking to widen their customer bases, E-services should be user-friendly and customizable for customers, there should be E-banking help desks and computers available in each branch to give maximum support to customers and branch officials should be trained to guide customers regarding E-banking as well.</p>
2014	Mehmood, et al., (2014)	<p>This study highlighted a main determinant that's affects E-banking in Pakistan along with strength of relationship between those factors and E-banking.</p> <p>Researcher of this study uncovers that there was a significant impact of customer's perception about usage of E-services and customers information safety and security on E-banking services adoption. There was also a significant impact found between E-banking and usefulness, website layout, safety and security of customer information and customers trust.</p> <p>Policy makers of E-banking services should focus on usefulness, safety and security, website layout and customers trust on E-banking systems while designing the E-banking system and policies. There should be awareness campaign for customers regarding benefits and proper use of E-services.</p>
2012	Hassan et al., (2012)	<p>The goal of this study was to highlight the comparative analysis between male and female users of E-banking and between different age groups regarding main factors which influence the customer service quality.</p> <p>This study concluded that various factors such as communication, ease in access, collaboration among stakeholders, credibility of commercial banks, product range, trust on E-services and web site layout have significant impact on E-banking user's opinions regarding quality of E-banking services.</p> <p>According to this study, researcher point out that user friendly, secure and reliable website will increase the E-banking users. There should be hassle free access to customers to banks in case of any query regarding E-banking.</p>
2012	Hunjra, Ali, & Anwar (2012)	<p>This study focused on current situation of E-banking services in Pakistan, impact of E-banking services on customer satisfaction, behavior of customers towards its usage and analysis of key factors involved in E-banking services adoption.</p> <p>Findings of study reveals that many customer are using E-banking services but they were found dis-satisfied with E-services due to delay in response time from bank officials, non-availability of all basic services in E-banking systems and lack of awareness on E-banking system especially on mobile based banking.</p> <p>Researcher on the basis of findings recommended that there should be derailed awareness program, better service quality for E-services and reliable online system in order to get new customers and retain existing customers.</p>
2011	Oye, Shakil, & Iahad (2011)	<p>Purpose of this paper was to uncover comparison between the opinions of E-banking customers and bankers regarding usage of E-banking services and operational issues of E-services provided by Askari commercial bank in Pakistan.</p>

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		<p>Findings of this study indicates that customers are not satisfied with E- banking services due to slow internet speed, no trust on technology, less literacy rate and unsupportive policies of government regarding E-banking resulting hesitation to adopt E-banking by banking customers.</p> <p>Authors recommended that government and banking policy makers should focus on promoting the benefits of E-banking through various sources and internet rate should also be reduced</p>
2011	Sumra et al., (2011)	<p>This study investigates the impact of E-banking on banks profitability and relationship between E-banking services and customers literacy on the availability of these E-services provided by commercial banks in Pakistan.</p> <p>Finding of this study reveals that there is positive relation between E-banking and profitability of commercial banks in Pakistan. Furthermore, there was no relation found between E-banking services and customer's literacy on the availability of these E-services provided by commercial banks and the ultimate reason to introduce E-banking services in Pakistan was to widen the customer base and retention of existing customers.</p> <p>Implications for this study uncover the fact that there is still a lot commercial banks and IT services providers have to do for E-banking and customer's literacy should be enhanced also in order to provide complete benefits of E-banking to customers which will result better results for commercial banks as well.</p>
2011	Omar, et al., (2011)	<p>The customer's opinions, preferences, bottlenecks and suggestions regarding E-banking in Pakistan was discussed in this study.</p> <p>The findings of this study indicated that reliable, convenient, speedy, safe and secure, cheaper, easy and errorless online system plays a significant role to attract customers towards E-banking services and on the other side, there are other factors such as less knowledge about online usage, hacking and other security issues and technical errors in banking channels such as ATM link down prevents the customers to adopt E-banking services.</p> <p>Banks should introduce latest services to their customers such as Cash deposit machines, utility bills payments via online system and other competitive services offered by banks all around the globe.</p>
2011	Abro, Bhutto, & Memon (2011)	<p>This study highlights that how much various E-banking services are used and utilized by E-banking users of HBL in Jomshoro.</p> <p>Finding of this study uncovers that old users with high level of education are fully aware with E-banking services and its benefits and they demand banks to offer them innovative and diversified services.</p> <p>On the other hand, customers with lower level of education, belongs to lower income group, saving deposit account holders and customers less tenure of association with bank also shown their interest to adopt E-banking services offered by HBL but there was significant impact of E-banking services on saving deposit account holders. Current deposit account holders were not found interested in E-services offered by HBL.</p> <p>Researcher recommended that commercial banks should aware their customers and educate them with different sources which will eliminate negative opinions of customers for E-banking services.</p>

Conclusion of E-banking Studies conducted in Pakistan:

Previous part shows that many studies conducted on E-banking in Pakistan and various factors were examined which uncover the below mentioned areas of knowledge:

- E-banking services usage in Pakistan.
- Comparative views of customers and bankers regarding usage of E-banking services and operational issues of E-banking services.
- Comparative views of male and female customers regarding usage of E-banking services

- Impact of E-banking services on banks profitability.
- Impact of E-banking services on customer satisfaction.
- The customer's opinions, preferences, bottlenecks and suggestions regarding E-banking services available in Pakistan.
- Important factors involved in adoption of E-banking services in Pakistan
- Important factors which affects E-banking services in Pakistan

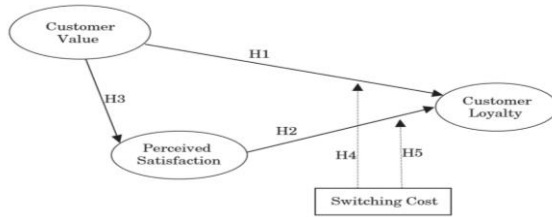
Many studies were conducted on different factors of E-banking services which portray the present situation of E-banking services in Pakistan. Several studies also found relationship of E-banking with different factors such as customer satisfaction and banks profitability etc. and found a significant relationship of E-banking with various factors.

THEORETICAL FRAMEWORK

E-banking services are playing a key role in banking advancement and growth strategy in current IT influenced Era. The ultimate goal of banking sector just like other organizations is to deliver their best to customers in order to retain them to achieve organizational goals and competitive advantage over their competitors. Since the concept of E-banking took place all around the world and various studies and research models were introduced to show the necessity of E-banking for banks.

In a study, Yang & Peterson (2004) presented a model explaining the effects of customer value on customer satisfaction, the effects of customer loyalty on customer satisfaction as well as the effects of customer value on customer loyalty. Following figure presented the model given by Yang & Peterson(2004).

Figure: 3.1



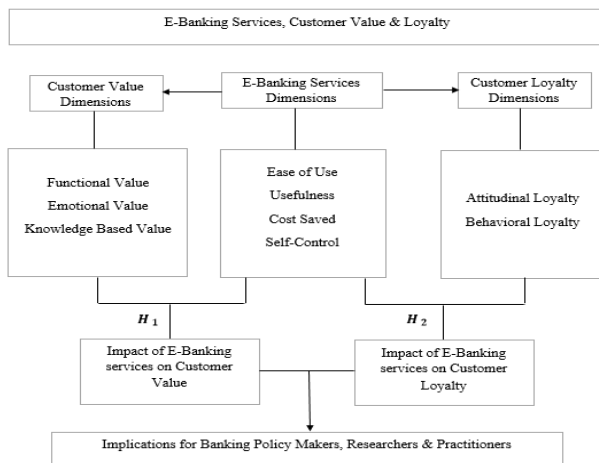
Source: Yang & Peterson (2004)

Approach to evaluate the impact on E-banking on customer value and loyalty

On the basis of theoretical background, the researcher presents following schematic diagram of the current study to evaluate the impact of E-banking and its impact on customer value and loyalty and make recommendations for banking policy makers and future researchers.

Conceptual Framework:

Figure 3.2 Schematic Diagram of the study



E-banking services and its impact on various variables were presented by researchers in measurement models from time to time. Finally with the help of previously discussed models and conceptual framework, the current concept of examining the impact of E-banking services on customer value and loyalty were adapted from study conducted on E-banking services , customer value and customer loyalty by (Hamid, 2012). The goal of current study was to examine the impact of E-banking services on customer value and loyalty and to recommend various stakeholders for future improvements. The study method to measure impact of E-banking services on customer value and customer loyalty is based on questionnaire approach adapted from various studies conducted on E-banking, customer value and customer loyalty. With the help of adapted questionnaire, the perceptions of E-banking customers were measured and in upcoming chapter, its measurement approach and standard is presented.

RESEARCH METHODOLOGY

Research design:

The research design formulated for study execution was descriptive and explanatory. In order to achieve study objectives, the data was collected from E-banking customers purposively. The opinions of E-banking customers were gathered on 5 point likert scale which has various dimensions of E-banking services, customer value and customer loyalty. This study was cross-sectional as the data was collected upon one time survey. A self-administered questionnaire adapted from various similar studies conducted on E-banking services by (Davis, 1989), (Baloglu, 2002), (Anguelov, Hilgert, & Hogarth, 2004), (Yang & Peterson, 2004), (Ho & Ko, 2008)&(Chau & Lai, 2009)&(Khan, Kadir, & Wahab, 2010). Primary data by using 5 point likert scale was collected from E-

banking customers in three months from May, 2015 to July, 2015.

Study population consists of all commercial banks providing E-banking services in Lahore and listed with State bank of Pakistan in May, 2015. Target population list of commercial banks providing E-banking services in Lahore was taken from official website of State bank of Pakistan. Purposive sampling technique was opted and final sample of 10 commercial banks were taken from listed of State bank of Pakistan. Sample of 50 customers from each sampled bank was taken consisting of total 500 customers using E-banking services of commercial banks. Eventually, a sample size of 500 E-banking customers was framed by using purposive sampling technique.

Questionnaire method is most reasonable technique to collect primary data. A structured questionnaire comprises of 34 statements under 3 main dimensions (E-banking services, Customer value and Customer loyalty) and 9 sub-dimensions (Ease of use, usefulness, cost saved, self-control, functional value, emotional value, knowledge based value, attitudinal loyalty and behavioral loyalty). E-banking services statements was adapted from (Davis, 1989), (Anguelov, Hilgert, & Hogarth, 2004), (Yang & Peterson, 2004), (Ho & Ko, 2008)&(Chau & Lai, 2009), Customer value statements was adapted from (Baloglu, 2002), (Anguelov, Hilgert, & Hogarth, 2004), (Ho & Ko, 2008)&(Khan, Kadir, & Wahab, 2010) and Customer loyalty statements was adapted from (Baloglu, 2002)&(Yang & Peterson, 2004) to evaluate the opinions of E-banking customers regarding impact of E-banking services on customer value and loyalty. After detailed analysis of literature review, meetings with E-banking experts, professionals, academicians, and E-banking customers, researchers amended and adapt the questionnaire in Pakistani E-banking context.

Data was analyzed by using SPSS (Statistical Package for Social Sciences) 22nd version. Descriptive analysis was performed by using frequency, percentages and mean value for E-banking services, customer value and customer loyalty. Whereas mean, standard deviation, simple linear regression, multiple linear regression and ordinal regression were used to measure the impact of E-Banking services on customer value and loyalty.

Reliability statistics:

This study was based on perceptions of E-Banking customers who are using E-Banking services offered by Commercial Banks working in Lahore, Pakistan. Reliability analysis was performed by Cronbach's alpha values for E-Banking services, Customer Value & Customer loyalty used in this study. Following are the Cronbach's alpha values which indicate high consistency among the constructs of all dimensions.

Table 4.1 Cronbach's Alpha (α) Coefficients for Main Constructs and dimensions

Dimension	Number of Items	Coefficient
E-Banking Services	14	0.844
Customer Value	11	0.831
Customer Loyalty	08	0.762
Overall Reliability	33	0.922

DATA ANALYSIS & INTERPRETATIONS

Demographic analysis of the data:

Following table unveils the demographic profile of respondents using E-Banking services.

Demographical Profile of the Respondents

FREQUENCIES	
Bank-Wise distribution of Respondents	
Allied Bank	46
Askari Bank	33
Bank of Punjab	38
Habib Bank	48
Muslim Commercial Bank	46
Meezan Bank	40
National Bank of Pakistan	41
National Investment Bank	38
Standard Chartered Bank	42
United Bank	45
Total	427
Gender-wise distribution of respondents	
Male	294
Female	133
Total	427
Qualification-Wise distribution of Respondents	
Matric	13
Intermediate	21
Graduation	147
Masters	216
Others	27
Total	427
Age-Wise distribution of Respondents	
20-25	228
26-30	121
31-35	45
36-40	16
41-45	13
46-50	01
51 – Above	03
Total	427
No. of dealing banks-Wise distribution of Respondents	
01	199
02	168
03	47
More than 03	13
Total	427

RESULTS & DISCUSSION

Simple Linear Regression

Regression Variable	E-Banking Services						
	First Hypothesis				Second Hypothesis		
	Customer Value (C.V)				Customer Loyalty (C.L)		
	F.V	E.V	K.B.V	C.V	AL	BL	C.L
R	0.592	0.645	0.527	0.699	0.629	0.564	0.680
R²	0.350	0.416	0.277	0.489	0.395	0.318	0.462
F	229.165	303.018	163.101	406.706	277.897	198.418	365.281
Sig.*	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
B	0.769	0.808	0.701	0.764	0.714	0.760	0.732
SE	0.051	0.046	0.055	0.038	0.043	0.054	0.038
T	15.138	17.407	12.771	20.167	16.670	14.086	19.112
Sig.*	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

*Significant if Sig ≤ 0.05

First part of table shows that EBS have strong positive relation with functional value, emotional value and knowledge based value as correlation (R) between them is 0.592, 0.645 and 0.527 respectively whereas R² indicates that EBS explains 35.0 % of functional value, 41.6% of emotional values and 52.7% of knowledge based value. Simple regression equations are significant and t-test of individual independent variables also shows it is significant to use EBS as independent variables to predict functional value, emotional value and knowledge based value. Beta value explains that if we increase one unit in EBS, functional value increases by 0.769, emotional value increases by 0.808 and knowledge based value increases by 0.701 respectively.

Results from fourth column of part first indicates that EBS have strong positive correlation with customer value whereas R² indicates that EBS explains 48.9% of customer value. Simple regression equation is significant and t-test of independent variable also shows that it is significant to use EBS to predict customer value.

Second part of table shows that EBS have strong positive relation with attitudinal loyalty and behavioral loyalty as correlation (R) between them is 0.629 and 0.564 respectively whereas R² indicates that EBS explains 39.5 % of attitudinal loyalty and 56.4% of behavioral loyalty. Simple regression equations are significant and t-test of individual independent variables also shows it is significant to use EBS as independent variables to predict attitudinal loyalty and behavioral loyalty. Beta value explains that if we increase one unit in EBS, attitudinal loyalty increases by 0.714 and behavioral loyalty increases by 0.760 respectively.

Results from third column of part second indicates that EBS have strong positive correlation with customer loyalty whereas R² indicates that EBS explains 46.2% of customer loyalty. Simple regression equation is significant t-test of independent variable also shows that it is significant to use EBS to predict customer loyalty. Above explanation supports the study hypothesis that there exists positive impact of E banking services on value and loyalty perceived by banking customers from services offered by commercial banks working in Lahore.

Ordinal regression – impact of E-Banking services on Customer Value& Loyalty.

Variable	First Hypothesis						
	Customer Value						
	Pseudo R ²		Model Fitting			Goodness of Fit	
	Nagelkerke	McFadden	Chi-Square	Sig.*	Chi-Square	Sig.*	
E-Banking Services (EBS)	0.369	0.253	123.596	0.000	Pearson	0.866	0.649
					Deviance	1.501	0.472
Variable	Second Hypothesis						
	Customer Loyalty						
	Pseudo R ²		Model Fitting			Goodness of Fit	
	Nagelkerke	McFadden	Chi-Square	Sig.*	Chi-Square	Sig.*	
E-Banking Services (EBS)	0.305	0.206	97.611	0.000	Pearson	1.338	0.512
					Deviance	2.192	0.334

*Significant if Sig ≤ 0.05

Part first shows that Nagelkerke R^2 is 0.369 and McFadden R^2 is 0.253 which indicates that E-Banking services (EBS) explains 36.90% and 25.30% of customer loyalty respectively. Chi-square loyalty in model fitting shows that Ordinal regression equation is significant which means it is significant to use E-Banking services (EBS) as independent variable to predict customer value. Chi-square loyalty in goodness of fit shows that fitted Ordinal regression model is valid as its null hypothesis "Model is significant" is accepted. Therefore, results of above table validate research hypothesis that there is positive effect of E-Banking services on customer value.

Part second shows that Nagelkerke R^2 is 0.305 and McFadden R^2 is 0.206 which indicates that E-Banking services (EBS) explains 30.50% and 20.60% of customer loyalty respectively. Chi-square loyalty in model fitting shows that Ordinal regression equation is significant which means it is significant to use E-Banking services (EBS) as independent variable to predict customer loyalty. Chi-square loyalty in goodness of fit shows that fitted Ordinal regression model is valid as its null hypothesis "Model is significant" is accepted. Therefore, results of above table validate research hypothesis that there is positive impact of E-Banking services on customer value and loyalty perceived by customers from services offered by commercial banks working in Lahore.

CONCLUSION

This study explored the impact of E-Banking services on customer value and loyalty. Majority of respondents were using Habib bank E-Banking services, male, qualified as Masters, fall in the age bracket of 20-25 years followed by age bracket of 26-30 years, using E-Banking services of single bank, using E-Banking services on medium extent (Frequently), using ATM facility as E-Banking service, using E-Banking facilities for

more than one year and less than three years. Ease of Use, usefulness, cost saved and self-control have high mean value and low standard deviation value and overall mean score is also high which states customers are satisfied that E-Banking services are easy to use, useful for customers, source for cost saving and it provides self-control to customers on their bank accounts whereas combine standard deviation for all sub-factors is also low which indicates homogeneity in respondent's responses. Functional Value, emotional value and knowledge based value have high mean score and low standard deviation and Overall mean score is also high which states customers are satisfied that E-Banking services provides functional, emotional and knowledge based value to them whereas combine standard deviation for all sub-factors is also low which indicates homogeneity in respondent's responses. Attitudinal Loyalty and behavioral loyalty have high mean score and low standard deviation and overall mean score is also high which states customers are agreed that E-Banking services influences attitudinal and behavioral whereas combine standard deviation for all sub-factors is also low which indicates homogeneity in respondent's responses. There is strong positive relation between E-Banking services (EBS) and customer value as correlation (R) between them is showing high value. Simple regression equation is significant and t-test of individual independent variable also shows it is significant to use E-Banking services (EBS) as independent variable. There is strong positive relation between E-Banking services (EBS) and customer loyalty as correlation (R) between them is showing high value. Simple regression equation is significant and t-test of individual independent variable also shows it is significant to use E-Banking services (EBS) as independent variable. Finally, it can be concluded that E-Banking services plays an important role to create customer value and loyalty for commercial banks working in Pakistan.

In the light of study findings and conclusions, researcher proposed the following recommendations for bank policy makers to facilitate their E-Banking customers by improving and innovating their E-Banking services in order to create as well as retain their customer base.

1. Pakistani commercial banks should devise new techniques to encourage their customers for the use of latest mode of E-Banking services which should be user friendly such as internet banking, mobile banking, smart phone banking. Moreover, commercial banks should introduce smart phone banking application in order to get competitive advantage on their competitors.
2. Commercial banks operating in Pakistan should appoint E-Banking officers to convey complete, reliable and up to date information regarding their E-Banking services. E-Banking officers should also aware customers regarding potential risks and threats while executing E-Banking services.

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