

The Impact of Media Convergence on Customer Satisfaction (with special reference to Bank of Ceylon, Malabe)

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Introduction

Today organisations seem to have changed rapidly due to the changes in the business environment. To remain in the business world, they have to use each and every resource to full capacity to attract customers. Services and products of organisation could improve in many ways. Media convergence can be identified as a theory that can enhance customer satisfaction.

Essentially the impact of the media convergence can be applied to any industry in the country, as the functions of the theory can be related to any field (Winseck, 1999). In this study the banking sector is taken into particular account in studying the impact of media convergence because service sector improvements are very important for economic development.

Banks want to provide a high level of service to customers to deliver positive utility. So in this study the bank customer is the personal consumer, whose satisfaction is a major consideration of the bank.

In the banking sector customer satisfaction is interrelated to media convergence. But this interrelation is not yet properly measured or identified by the Sri Lankan banking sector. This is considered a limitation of this research. This limitation must be overcome using empirical evidence in the local context which would impact policy decisions. The research problem is identifying whether there is a significant impact from media convergence on customer satisfaction. To identify the overall impact of media convergence on these banks, a theoretical survey should be carried out, and the factors influencing the effectiveness of media convergence and improved customer satisfaction identified.

Objectives

Main objective - Examine media convergence impact on customer satisfaction.

Sub objective - Measure the relationship between dimensions of media convergence and customer satisfaction.

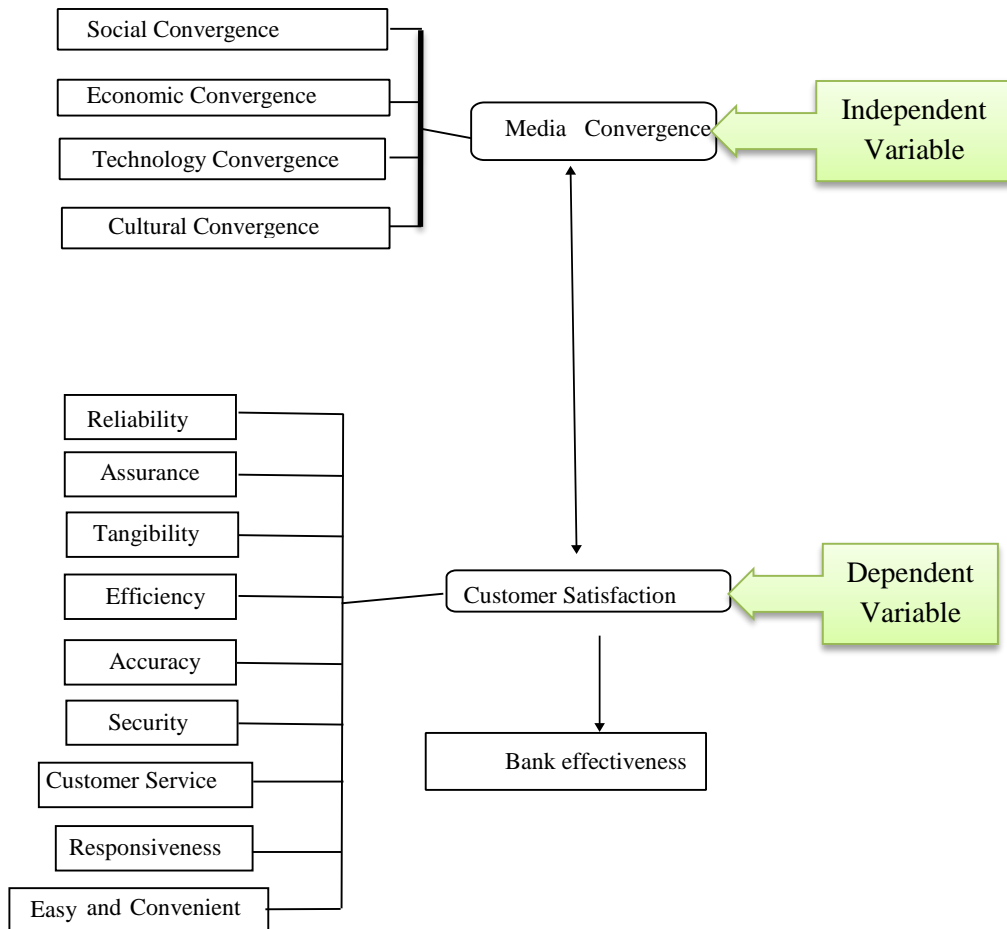
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Methodology

There are many factors that influence customer satisfaction, and as identified in the literature survey nine factors were selected as independent variables. Four dimensions of media convergence, the independent variable, are identified for this research, as the basis of the conceptual framework.

The satisfaction levels improve as a result of different factors of service quality



(Awan, Shahzad, & Iq, 2011). Media convergence dimensions are social and organic convergence, economic convergence, technology convergence, cultural convergence (Latzer, 2013).

To address the research objectives the researcher has developed and tested hypotheses with the theoretical support to make pre-conclusion. This study is based on a Bank of Ceylon branch in the Malabe area and 80 customers were randomly

selected to represent all customers of the bank. The contact method was multiple Likert questionnaires.

All questions in the questionnaires cover the objectives of the research project and are based on background literature. Basically there are three main parts to the questionnaire. The first highlights personal data, the second the four dimensions of media convergence, and the third, the nine factors that influenced customer satisfaction. Pilot surveys were also done before entering the field.

Factor analysis was used to analyse the nine factors of customer satisfaction and reduce them to one variable. It is a useful tool for investigating variable relationships for complex concepts such as socioeconomic status, nutritional forms, or spiritual scales (Maïke, 2015). For this method, the KMO and Bartlett's Test of Sphericity and Cronbach's alpha have been applied to measure validity and reliability.

Then the multiple regression model was used. Because the research sub objective involved a single dependent variable it is supposed to be related to more independent variables (Joseph, Black, Babin, & Aderson, 2010). Correlation, normality test methods were used to ascertain the relationship between customer satisfaction and dimensions of media convergence.

Data Analysis and Findings

As per the Cronbach's alpha test, all items had high reliability, because all dimensions were greater than 0.8. 'Measure of reliability that range from 0 to 1, with values of 0.60 to 0.70 supposed the lower limit of acceptability' (Joseph, et al., 2010).

The values of the KMO Measure of sampling acceptability for this set of variables are greater than 0.7. There are three factors that load above greater than 1 eigenvalue, for which weighted mean values were computed (Plotting Eigenvalues for Calibration Model, 2011).

According to the results of the normality test analysis, independent variables were associated with customer satisfaction. The P-value of Anderson darling Normality test was greater than 0.05.

In this research the highest tolerance value was 7.84, VIF would be 1.2., and there is high multicollinearity. The standard error of the regression coefficients will be inflated when tolerance values are close to 0.

The model was a good and strong significant model. R2 is 58% and R2 (adj) is 56.3%. That mean the 58% of the dependent variable is described by the explanatory variables in the sample.

Table 1:

Variable	Correlation	P-value
Social Convergence	0.727	0.000
Economic Convergence	-0.365	0.001
Cultural Convergence	-0.201	0.074
Technological Convergence	0.363	0.001

Source: Sampling Survey, 2015

The regression for the overall factors which was based on the multiple regression is as follows;

$$Y = -3.09 + 0.0338 X_1 + 0.0115 X_2 - 0.00507 X_3$$

Y = Customer Satisfaction

X₁ = Social Convergence

X₂ = Technological Convergence

X₃ = Economic Convergence

According to the ANOVA (analysis of variance), the model P value was recorded as 0.000 determined those variables were most suitable to explain dependent variable. Furthermore this model was most suitable to explain dependent variable customer satisfaction and dimensions of customer satisfaction.

Hypothesis testing proves the objectives and identify the relationships between the customer satisfaction and the dimensions of media convergence.

Conclusion, Recommendations and Implications

The main objective of this research was prove with the impact of media convergence on customer satisfaction. The sub objective was to measure the relationship between dimensions of media convergence and customer satisfaction. Considering the final result social convergence and technological convergence have positive relationships with customer satisfaction. When social and technological convergence changed by 1 unit each, customer satisfaction was increased by 0.0338 and 0.0115 respectively, assuming other factors remaining constant. There was a negative relationship between customer satisfaction and economic convergence, and there is no relationship between cultural convergence and customer satisfaction.

According to the above findings, the following implications are identified as the final role of the study. Working conditions contributed customer satisfaction. Therefore, improving working conditions is important. Pleasantness of branch environment, appropriate language, and informational content are important in improving the culture of the bank and therefore customer satisfaction. Improving existing and new banking technology will enable customers to do their banking activities such as balance enquiries, transfer of funds between accounts, payment of bills, requisitions and pawning activities avoiding the inconvenience of queuing up

at a bill payment center or the bank branch. It will provide mobility, lower cost, convenient, and speedy service to customers.

The Government should pay attention on the encouragement of service quality of the bank to improve customer satisfaction, such as the knowledge of new technologies, the usage of new techniques and specially marketing facilities. On the other hand there were differences among banking and other sectors related to media convergence. Most banking customers have not enough knowledge about the importance of media convergence, especially with respect to social and technological convergence. Most of customers use banking only for their basic financial needs. Therefore Government should implement programs to improve their knowledge about importance of banking sector. Therefore Government has to implement a proper process to develop the banking sector. Thus, policy makers also need to draw their attention not only to the importance of industry profit enhancement, but also to the enhancement of social and cultural background, economic situation, and technological usage.

Key words: Media Convergence, Customer Satisfaction, Factor Analysis, Consumer Behavior, Utility theory

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