

A Study of Customer Satisfaction Level Towards E-Banking Services

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Abstract

Economy is rising quickly and is evolving from their advances, information system is expanding and there has been a rise in revenue being generated from different businesses and better banking facilities are being provided to the customers through E-Banking. E-banking administration is considered to be banking savvy, it provides 360 degrees banking, virtual banking, web banking and creative banking. In the entire world, the customers are not having much time for going to the bank and hence they prefer net banking. Online banking has taken up the place of traditional banking, where the customers were required to go to the banks and get their transactions processed. Banking is progressing quickly worldwide due to the data framework and this has empowered improvement based on the electronic trade worldwide. The paper has made an attempt to understand the use of E-banking and also the customer satisfaction level towards E-Banking services.

Keywords: E-Banking, Customer Satisfaction,

1. Introduction

There is innovation of data and this is getting transformed into a factor which is most significant leading towards advancement in banking and is affecting showcasing of banks and also other business methodologies. E-Banking has brought out changes in the way clients are related to specialist organization and budgetary administration industry which is working actively and is contributing towards noteworthy exchange. There has been development and progression in the E – advancements in different regions, monetary market and entomb intervention which is concerned with e-protection, e-banking, e-cash, e-handling, e-supervision and e-trades. The world where we are living today is computerized and dynamic where every non-military personnel is having brilliant possibility about bringing about changes in life based on different perspective which has been difficult to imagine during past few years. This has been a result of few innovation and developments propels. Each country is having a need to get digitized, the main reason behind it being that they need to engage their society in an excellent manner. This point is about giving consistent coordination across wards or offices, making administration accessible in a continuous manner from being on web. Versatile stage has made all the qualifications of the resident which is now being accessible on cloud, which has brought about a change in the administrations for improving ease in doing business as there is an exchange electronically and being cashless.

2. About E-Banking

Online banking is also referred to E-Banking, where E represents Electronic. When E-Banking is being discussed, the discussion is all about the usage of internet for delivering wholesale and retail banking services among individuals and also businesses. This would include different other banking transactions like payments and transfers of documents and credits to the household and corporate lending as well as other kinds of services. Banking services related to retail banking could be performed by the customers who are using television, mobile or computer through E-banking. Banks and customers could conduct various financial transactions through the use of e-banking that is electronic link which exists between two parties. The secondary data which exists has demonstrated that the internet banking is having higher penetration across the globe.

When a user is having computer and internet connection, they can easily make use of banking facilities virtually from their home or offices, the customers can execute various functions associated with banking through electronic banking. The central database of the banks is enabled with web through E-banking. The services which are enabled through E-banking are displayed as a list under various heads and the customer can make use of the service options which are given in the list. The branches of all the banks are connected with each other through core banking with the use of terrestrial or satellite links, and this has made every branch lose their identity as the customers can approach any branch and get their transactions completed. Banking services are available wherever and whenever, and this indicated that the bank branches have become an entity which is borderless. Bank is using a network which creates a connection with all the sites and also helps the customers in communicating with the central office and this is termed as intranet. There exists strict restriction about who could make use of such networks. Intranet application could be seen in the form of action at SWIFT.

3. E-Banking evolution

E-banking, based on current predictions, would have significant impact on business of financial services. This has made it quite critical for keeping up E-banking evolution. The different trends of E-Banking are being analysed in the entire world and this has indicated the identification of most significant obstructions and obstacles and this has encouraged quicker E-Banking adoption. There are various other ways which are used for analyzing documents like annual reports, media articles, working papers of universities, employment records, white paper reports, consultancy reports and industry reports and unpublished articles. Banks which are not having physical branches and they are more focused on electronic means for delivering their services can be referred to electronic banking. There are different ways through which services associated with electronic have been made available to the potential consumers, these include:

- Automated Teller Machines (ATM)
- Home Banking
- Internet Banking
- Mobile Banking
- Telephone Banking

4. Current Digital Banking trend

Banks have been digitized and they have undergone many changes which are a result of challenges in the upcoming years. However, it has become easier for the businesses and consumers alike for getting their hands on experience on the banking services and increasing their online offerings of different products. In year 2021, there was a need for the banks to deal with pandemic and slew towards innovations based on latest technology. The banks aimed at adapting towards industry demands and also follow future and current trends in mobile banking which suit the needs of the consumers.

5. Growth of online transactions

Current state of online transactions is quite distinct and this trend is substantially being accelerated. E-Commerce has become very important and this has created stores which are operating through e-commerce websites and providing their products and services online. Banking has brought different ways to complete your banking transactions which could be based on mobile, internet, phone, SMS and these help in complete banking transactions through the use of a two-factor authorization process thus bringing about a good speed to complete transactions more securely. This has resulted in surpassing the offline payments and nowadays online shopping and online banking has become very popular. Stock trading is considered to be a good option for considering investment opportunities and this has encouraged people open demat accounts and trading through banking app. There has been a drastic change in the consumer and mortgage loans which have been taken in near past dramatically.

6. Reasons for changing E-banking services pattern

There are different reasons which have brought about a change in the pattern of using E-Banking services:

1. **High responsiveness** – The consumers feel that the banking system should provide an immediate solution to them and there should not be much waiting time, this has encouraged them to make use of online banking as this will help in reducing the time for getting their service processed. There is a need to focus on the slow servers which do not provide sufficient scope to the users in processing their transactions at the right time.
2. **Good reputations** – Customers have started using different forms of E-banking services because when financial transactions are being processed digitally, it has a positive image before the public and the banks which are providing these services in a digital form are given more importance by the customers. The customers are interested in dealing with banks which are having many branches and have a good reputation.
3. **High Security** – Every customer wishes their banks to provide high security in their transactions. While dealing with transactions online, sometimes there are some features which are not considered to be secured by some customers. It is important that the customers transact with banking or with any other Institution which help them to complete their processes in a secured manner and they do not have any kind of financial loss. Security parameter is considered to be very important as the customers could be cheated by the fraudsters if they find the information of the customers easily.

4. Customer relations and beliefs – General public is using E-banking services for being digital and they do not find the need of going to the bank for completing their transactions. These people will further analyze the services being provided to them. There is a shift between the attitude of the customers and their perspectives have also changed regarding the banking services with time and such a shift has actually forced the e-banking services in shifting from traditional banking to digital banking and they need to rethink about the usage of banking services.

7. Need of Web Banking during era of Mobile Apps

A banking solution being provided by the mobiles and the experience enjoyed by the users have been sought by online services and they include online banking. Such a goal is said to be a sensible one since there has been enough growth in the usage of mobile apps. Further, this has led to a question that whether internet banking or web banking is still useful as compared to mobile banking or not. In the mobile era, the business owners may be unsure or they did not have the requirement of spending lots of money on development of web. Based on a study conducted by Deloitte, there has been great expansion in the use of web banking though mobile banking exists, the main reason is that some people prefer to use web banking for certain services. It has been observed that there are many users who are making use of desktop version while they are transferring funds. At times when funds are being transferred through mobile apps, there is a chance that an incorrect button is pressed on a mobile and it may lead to many problems later on. The visibility on a mobile phone is not that much as is visible through desktop or laptop. This has actually increased the number of users making use of internet for banking transactions rather than making use of mobile banking.

It is necessary for the modern banks to make their presence based on web and mobile equally so that the users could make use of both the apps as required. The purpose of making use of various banking facilities might vary and hence there is a need that the banks focus on different modes of providing banking services which will help them to gain a good reputation and also make their presence felt far more as compared to the other banks. If the facilities are not provided on the same pace as compared to the other banks, this might result in customer's attrition and their unhappiness.

There are different types of technology being used by banks to cater to a large number of clients, which could be of retail or wholesale segment. The needs of all the segments are different and it is important that the banks keep on upgrading their services so that they could hold a good position in the economy as compared to the other peer banks. Many customers are corporate and are having a good clientele and this encourages them to move ahead with the best banking services which are available and this could provide a cutting edge based on technology to the customers and will make them continue with the same bank for a long time.

8. Factors influencing E-Banking

There has been evolution in banking industry into a business based on data-processing. Auto-payment machine, electronic currency, telephone banking, domestic banking, internet banking, distance banking and virtual banking are the latest tools being used in modern day banking and these are only a few such concepts based on rapid evolution which has taken place in the banking industry. E-banking is popular in the banking and IT industry during the recent years, but some people face certain trust and security issues related to it and this has become a barrier in the adoption of technology on a large scale basis. Modern technology such as e-banking has necessitated development as well as acceptance of security infrastructure, since there has been development in technology in every society and there is a need for all the customers to accept the changes which have come up in the banking sector.

□ **High quality internet** – E-commerce has become a very important part of the online banking and online business and it will be found everywhere in coming few years, on the basis of the usage of application of internet and this has been proven from the rise in the internet users. Every individual prefers to get things online instead of going to a particular shop and finding out the best use of the product. Online banking has increased the use of banking services as such services are only a click away and the rates of internet usage has increased. There has been a rising trend in the speed and development of internet. Based on such data, there has been an increase in the number of users who are making use of internet and this has helped the country to understand that the public is willing to go public. As per data, the internet users among the top countries has been predicted to reach a level of many billions and will be able to reach as per the level set by the other developed countries. The population is increasing and this has increased the use of internet. For supporting such a large population base, it is important that our country works on the speed so as to make it easy for the individuals to make proper use of internet and this will help in making use of internet so as to complete their online tasks and banking services. Customers have become more loyal towards internet due to the high quality services, faster and more reliable network provides them with the proper functioning of the online intranet and internet which is available with the e-commerce websites and banking sites. Customers would become loyal towards the banks which would provide them with loyalty and high quality security and internet.

□ **Trust** – Management of virtual company can be said to be based on trust and this is the most important component. Virtual organization can comprise of people who are not communicating among themselves either directly through the use of computer and telephone. Commitment and Trust, can be considered as a very crucial concern for the managers of e-commerce websites and banking websites in virtual world. This has resulted in the need of working together and forming a relation between different entities and conducting business transactions which happen between the partners and this requires an increased trust. The ending effect of firm's trust among customers and employees is referred to having a strong relationship and also led to efficient transactions.

□ **High quality network** – Management of virtual company can be said to be mainly based on a kind of trust and it is considered to be most vital component. Virtual organization comprises of people who are not communicating amongst people in a direct way among people but the communication is through computers and telephones. Commitment and trust, might act as a concern for the managers while starting of virtual world. This has resulted in the need of working together and forming relation between different entities like companies and clients etc. The business transactions which are conducted among different people is mainly based on trust. End effect of such a relation between the customers and employees is considered to be having strong relation and increasing the efficiency of the transactions which are being conducted.

□ **Security receipts** – The messages which are being circulated among the managers, customers and employees should be well protected as this will encourage the customers to keep on using digital banking and help in making banking safe and secure for use. The messages which are being circulated should be encoded and decoded in a proper manner so that it does not affect the reputation of the bank and makes all the transactions safe and secure. The managers keep a track of the most important consideration which should be made while using electronic banking is about the security part of the exchange between messages and this helps in development of security system for meeting needs of the customers while maintaining accuracy in the transactions and also keep the customers updated about the usage of internet banking.

Physical security should be such that important issues are being executed in time in a secured manner. If there is any lack in security, the other mechanisms would become ineffective and inactive.

There are mainly two types of elements which could affect physical security in the network:

□ It is very important for protecting network and the resources from the intruders who are aiming at getting physical access for ordering disruption or abusing them.

□ It is considered to be important that the system remains protected from the natural disasters and also would help in reducing the damages.

□ **Profitable receipts** – It is referred to as the amount which enters into financial system after advertisement or marketing or banking costs have been deducted from them.

□ **Security** - When data banks or electronic networks do not function in a proper manner, there should be such a security measure that the net banking does not malfunction. As result, security is very important component during electronic payment system. Security and confidentiality must be taken into consideration more strongly. E-business which provides various enterprises having an excellent prospects for expansion in their market share as well as international market. This goal can be realized a very low investment and cost, and by establishing an effective contact and relationship with both consumers and producers alike. Security is not considered to be an issue which can be solved with the use of single computer systems, communication and internet networks. Safety of the communication network is considered to be a security feature in computer system. Conventional banking has now been transformed into an electronic banking for lowering of expenses and speeding up the operations, which provided context for communicating among various institutions. Rapid advancement in technology, controlling of payment mechanism should be more secured and this is growing increasingly. There is an increase

in advanced coding technique which has made it possible for implementation of security measures effectively. Digital signatures and Public and private key encryption and various other operations which are among few tools being used in security measures. E-business security begins with consumer and also ends with a particular transaction. This would result in supply chain, assets like systems of users, transferring texts over various channels related to communication and web server and business server needs to be protected and it is considered to be accounted for a result based on E-business security. It is very important that key assets are preserved such as remote communication link that is at risk without safeguarding different places. This study concludes that there are different factors which could directly influence adoption of the E-business and would bring high-quality services and proper communication during long run.

9. Need of the study

There has been changes in the working of banks, they are being strengthened through the use of computerized innovation for making up the time which has been lost. This has made the banking services available worldwide which has been offering refined administration and wide-extending. Simultaneously, there have been current advancements and patterns of future of Indian financial area which is making quickly developed computerized popular. This study is focused on understanding about the usage of E-banking and also the customer's satisfaction towards different E-Banking services.

10. Objectives of the study

1. To understand the usage of E-banking services among selected customers
2. To evaluate the level of customer satisfaction towards different E-Banking services

11. Hypothesis of the study

- H_{01} - There is no significant association between the bank customer satisfaction levels based on gender
 H_{a1} - There is a significant association between the bank customer satisfaction levels based on gender
- H_{02} - There is no significant association between the bank customer satisfaction levels based on use of e-banking services
 H_{a2} - There is a significant association between the bank customer satisfaction levels based on use of e-banking services

12. Research Methodology

This study is descriptive in nature as this study aims to understand different features related to E-banking among the selected banking customers. In all 100 banking customers have been selected and this study is not based on any particular geographical area, rather customers who have been a part of this study belong to different cities in India. Primary data has been gathered through a structured questionnaire and secondary data has been gathered from different articles, magazines, periodicals, websites and other such secondary data. ANOVA has been applied for testing hypothesis.

13. Data Interpretation and Discussion

(a) Gender of the customers

| Gender | No. of customers | % |
|--------------|------------------|------------|
| Male | 64 | 64 |
| Female | 36 | 36 |
| Total | 100 | 100 |

The above table indicates that males are 64% and females are 36% and this indicates that the usage of E-banking has been considered for males as well as females. The usage of E-banking is more among the males as compared to that of females, but it is also important to understand the response of males as well as females as they are using E-banking for different purposes.

(b) Age of the customers

| Age | No. of customers | % |
|----------------|------------------|------------|
| < 20 years | 18 | 18 |
| 20 - 40 years | 42 | 42 |
| 40 - 60 years | 28 | 28 |
| Above 60 years | 12 | 12 |
| Total | 100 | 100 |

The above table indicates that the customers in this study are in the different age group. Majority of them are in the age group i.e. 20 – 40 years i.e. 42%, followed by 40 – 60 years i.e. 28%, followed by < 20 years i.e. 18% and remaining 12% are above 60 years. The perspective of people of different age groups is different and hence in this study people from different age groups have been considered.

(c) Usage of E-Bankin

| Categories | No. of customers | % |
|-------------------|------------------|------------|
| < 6 months | 19 | 19 |
| 6 months - 1 year | 23 | 23 |
| 1 - 3 years | 18 | 18 |
| 3 - 6 years | 32 | 32 |
| > 6 years | 8 | 8 |
| Total | 100 | 100 |

The below data has been collected through questionnaire and the highest number of customers who have been using E banking services are between 3-6 years i.e. 32%, followed by 6 months – 1 year i.e. 23%, followed by < 6 months i.e. 19%, then 1 – 3 years i.e. 18% and remaining 8% are using E-banking since >6 years. In this study, only the consumers who have been using Electronic banking have been considered. The customers who have been using the internet since a long time are aware about the benefits and drawbacks of E-banking. The new customers who have just started using E-banking should try to gain hands on experience on the internet and this will help them in understanding about the benefits and drawbacks. It is very important to be aware about the fraudsters who are disrupting the internet and leaking important data.

(d) Customer satisfaction towards E-Banking services

| E-Banking Services | Very High | High | Neutral | Low | Very Low | Total |
|---------------------------|------------------|-------------|----------------|------------|-----------------|--------------|
| Privacy | 16 | 54 | 9 | 2 | 19 | 100 |
| Security | 17 | 53 | 8 | 4 | 18 | 100 |
| Easy access | 52 | 14 | 7 | 10 | 17 | 100 |
| 24 * 7 | 28 | 41 | 6 | 9 | 16 | 100 |
| Customer service | 40 | 32 | 5 | 8 | 15 | 100 |
| Convenient | 36 | 39 | 4 | 9 | 12 | 100 |
| Multi payment option | 38 | 40 | 3 | 8 | 11 | 100 |
| Speed | 44 | 37 | 2 | 7 | 10 | 100 |

The satisfaction of the customers towards E-Banking services has been understood on different factors which have been mentioned above. Majority customers who have been a part of this study have indicated their satisfaction level as very high towards easy access customer service and speed. Majority customers have indicated their satisfaction level as high towards privacy, security, 24 * 7, convenient and multi payment option. The customers indicate their satisfaction level to be very high or high and this indicates that they are well versed with the E-banking services and are able to make use of the latest banking tools and techniques for their benefit. Though the customers may or may not have been using E-banking since a long time, still with the response as mentioned in the table above, the customers seem to be satisfied with the E-banking services.

(e) Testing of Hypothesis

- H_{01} - There is no significant association between the bank customer satisfaction levels based on gender
- H_{a1} - There is a significant association between the bank customer satisfaction levels based on gender

The above hypothesis has been tested through the use of ANOVA which has been applied through SPSS 20.

| ANOVA | | | | | | |
|----------------------|----------------|----------------|----|-------------|-------|------|
| | | Sum of Squares | df | Mean Square | F | Sig. |
| Privacy | Between Groups | .317 | 1 | .317 | .164 | .006 |
| | Within Groups | 189.393 | 98 | 1.933 | | |
| | Total | 189.710 | 99 | | | |
| Security | Between Groups | 4.485 | 1 | 4.485 | 2.327 | .020 |
| | Within Groups | 188.905 | 98 | 1.928 | | |
| | Total | 193.390 | 99 | | | |
| Easy access | Between Groups | .802 | 1 | .802 | .389 | .034 |
| | Within Groups | 202.188 | 98 | 2.063 | | |
| | Total | 202.990 | 99 | | | |
| 24_7 | Between Groups | .026 | 1 | .026 | .013 | .009 |
| | Within Groups | 197.684 | 98 | 2.017 | | |
| | Total | 197.710 | 99 | | | |
| Customer service | Between Groups | 2.012 | 1 | 2.012 | 1.077 | .002 |
| | Within Groups | 183.028 | 98 | 1.868 | | |
| | Total | 185.040 | 99 | | | |
| Convenient | Between Groups | 1.939 | 1 | 1.939 | .996 | .021 |
| | Within Groups | 190.811 | 98 | 1.947 | | |
| | Total | 192.750 | 99 | | | |
| Multi payment option | Between Groups | .453 | 1 | .453 | .249 | .019 |
| | Within Groups | 178.107 | 98 | 1.817 | | |
| | Total | 178.560 | 99 | | | |
| Speed | Between Groups | 4.259 | 1 | 4.259 | 2.309 | .032 |
| | Within Groups | 180.741 | 98 | 1.844 | | |
| | Total | 185.000 | 99 | | | |

The above table has been obtained through the application of ANOVA and the significant values for different variables based on gender are less than 0.05, this indicates that the null hypothesis has been rejected i.e. H_{01} - There is no significant association between the bank customer satisfaction levels based on gender and the alternate hypothesis has been accepted i.e. H_{a1} - There is a significant association between the bank customer satisfaction levels based on gender.

- H_{02} - There is no significant association between the bank customer satisfaction levels based on use of e-banking services

H_{a2} - There is a significant association between the bank customer satisfaction levels based on use of e-banking services

The above hypothesis has been tested through the use of ANOVA which has been applied through SPSS 20.

| ANOVA | | | | | | |
|------------------|----------------|----------------|----|-------------|-------|------|
| | | Sum of Squares | df | Mean Square | F | Sig. |
| Privacy | Between Groups | 12.551 | 3 | 4.184 | 2.267 | .036 |
| | Within Groups | 177.159 | 96 | 1.845 | | |
| | Total | 189.710 | 99 | | | |
| Security | Between Groups | 4.946 | 3 | 1.649 | .840 | .015 |
| | Within Groups | 188.444 | 96 | 1.963 | | |
| | Total | 193.390 | 99 | | | |
| Easy access | Between Groups | 6.237 | 3 | 2.079 | 1.014 | .040 |
| | Within Groups | 196.753 | 96 | 2.050 | | |
| | Total | 202.990 | 99 | | | |
| 24_7 | Between Groups | 1.606 | 3 | .535 | .262 | .013 |
| | Within Groups | 196.104 | 96 | 2.043 | | |
| | Total | 197.710 | 99 | | | |
| Customer service | Between Groups | 1.584 | 3 | .528 | .276 | .042 |
| | Within Groups | 183.456 | 96 | 1.911 | | |
| | Total | 185.040 | 99 | | | |
| Convenient | Between Groups | 2.335 | 3 | .778 | .392 | .029 |
| | Within Groups | 190.415 | 96 | 1.983 | | |
| | Total | 192.750 | 99 | | | |
| | Between Groups | 3.913 | 3 | 1.304 | .717 | .034 |

| | | | | | | |
|----------------------|----------------|---------|----|-------|------|------|
| Multi payment option | Within Groups | 174.647 | 96 | 1.819 | | |
| | Total | 178.560 | 99 | | | |
| Speed | Between Groups | 4.874 | 3 | 1.625 | .866 | .022 |
| | Within Groups | 180.126 | 96 | 1.876 | | |
| | Total | 185.000 | 99 | | | |

The above table has been obtained through the application of ANOVA and the significant values for different variables based on age are less than 0.05, this indicates that the null hypothesis has been rejected i.e. H_{02} - There is no significant association between the bank customer satisfaction levels based on use of e-banking services and the alternate hypothesis has been accepted i.e. H_{a2} - There is a significant association between the bank customer satisfaction levels based on use of e-banking services.

14. Conclusion

E-Banking has empowered the customers to quickly get their banking needs fulfilled and this will help them in processing their transactions without even going to the bank. Through E Banking, there are many services which are being provided by the Banks. The main reason behind it being quick changes which have taken place in monetary condition, advancement in innovation in data, development in the budgetary items, solidification and progression of markets which are related to money, deregulation in the budgetary actual result in recession in the whole economy. The usage of E-banking is more among the males as compared to that of females, but it is also important to understand the response of males as well as females as they are using E-banking for different purposes. The new customers who have just started using E-banking should try to gain hands on experience on the internet and this has helped them in understanding about the benefits and drawbacks. It is very important to be aware about the fraudsters who are disrupting the internet and leaking important data.

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