

An Empirical Study on Customer Satisfaction with Special Reference to Electronic Banking

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ABSTRACT:-

We talk about the banking sector, what matters the most are the customers and so what they perceive about the bank and their services itself becomes key to its growth. This study aims to analyze the level of satisfaction of customer, their agreeableness towards e-banking services offered by banks. This research tells that the customer using e-banking services are satisfied in terms of the e-banking products, perceived ease of use, website design, security and privacy, perceived cost, responsiveness, computer self-efficacy. During analysis this research came to know that still a lot of customers especially senior citizens of India are not aware about the e-banking services. Hence, major steps should be taken to make them aware about various e-banking channels through publicity and advertisement. The bank should educate the senior citizens/customers about the usage of e-banking services and also about their advantages. Determining factors affecting customer perception and attitude towards and satisfaction with e-banking is an essential part of a bank's strategy formulation process in an emerging economy. The aim of this study is to apply a new conceptual model, and a new technique as an approach to the modeling of customers' satisfaction, and to develop an overall satisfaction index (OSI). This study evaluates customers' satisfaction of a certain public organization service, and argues that in order to estimate the global customers' satisfaction measure we must appeal to methodologies recognizing that satisfaction must be understood as a latent variable, quantified through multiple indicators. The major findings depict that customers are influenced in their usage of e-banking services by the kind of account they hold, their age and profession, attach highest degree of usefulness to balance enquiry service among e-banking services, consider security & trust most important in affecting their satisfaction level and find slow transaction speed the most frequently faced problem while using e-banking. The study used security, reliability, ease to use and user-friendly, transactional speed, responsiveness as the independent variables while customer satisfaction as the dependent variable. In practical terms, research has shown that impact of electronic-banking that how banks are satisfying the customers in economy.

Keywords:- E-banking services, customer satisfaction, technology, security & trust, service.

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I. INTRODUCTION:-

Electronic banking (e-banking) is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. E-banking includes the systems that enable financial institution, customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet. E-banking includes the systems that enable financial institution, customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet. E-banking is a product designed for the purposes of online banking that enables you to have easy and safe access to your bank account. E-banking is a safe, fast, easy and efficient electronic service that enables you access to bank account and to carry out online banking services, 24 hours a day, and 7 days a week. With this service you save your time by carrying out banking transactions at any place and at any time, from your home or office, all you need is internet access. E-banking enables the following elements: accurate statement of all transactions processed in your bank account, Statement of current account, credits, overdrafts and your deposits, execution of national and international transfers in various currencies, execution of all types of utility bill payments (electricity, water supply, telephone bills, etc..) Carrying out customs payments, electronic confirmation for all transactions executed by E-banking and management of your credit cards. E-Banking is also called Internet banking, on-line banking or PC banking. E-banking includes ATMs, wire transfers, telephone banking, electronic funds transfers and mobile transfer using

various banking apps and credit cards. Internet banking sites process customer service inquiries, allow transactions from one account to another, take loan applications, open new accounts etc. As customers are visiting banks, more and more are using ATMs, home banking terminals and the internet to do their financial business. Technology has played a vital role in today's world. Internet has made this world a Global village and the same has revolutionized the banking industry. Conversion from the manual based ledger system to systemized processes and the overture to internet based facilities has given a new facet to the banking sector. The competition in banking sector augmented over the last few years and to stay competitive, banks are espousing novel tools and techniques to attain customer retention and satisfaction and E-Banking is one tool towards it. E-banking preference is affected by factors such as occupation type and age group and these factors are considered important to and are linked to e-banking to determine whether they really do have an impact on e-banking. Technology is making a tremendous impact upon service companies in general and the financial services sector is no exception. The application of information and communication technology concepts, techniques, policies and implementation strategies to banking services has become a subject of fundamental importance and concerns to all banks and indeed a prerequisite for local and global competitiveness in banking industry. One of the motives behind the rapid rise of the E-banking and E-commerce in the world is operating cost, because transactions via traditional service by banks are more expensive but via the modern system (E-banking) is cheaper for both customers and banks. The financial institution embraced internet banking in daily works and will use that system continuously in the future. In the last two decades, many of the United States banks added internet banking service for their customers. . The customers became more comfortable with the banks that offer internet banking services and it will be necessary for those banks to adopt internet banking service until current time based on economy. Information technology (IT) and the internet had impacts on financial services that were provided by banks. Therefore, banks use technology as a source of competitive advantages to stay powerful in the market and use it to provide new products in a lower cost with an improving efficiency and effectiveness of bank's operations regarding to customers.

II. OBJECTIVES:-

a) General objective:-

The general objectives of the study are to find out the impact of E-banking on customer Satisfaction.

b) Specific objective:-

To Identify the Various Dimensions of Internet Banking Service .To Examine the Relationship between the Customer Satisfaction and the Various Internet Banking Service.To identify the relationship between using of electronic banking and customer Satisfaction in CBE.To identify the major challenges of electronic-banking on customer satisfaction.

SCOPE FOR FURTHER RESEARCH:-

Scope of e-banking that how customer can perform financial transactions like transfer funds online, pay bills, apply for loans and open a savings account among various other debit card transactions.

Customers can perform financial transactions like transfer funds online, pay bills, apply for loans and open a savings account among various other debit card transactions. In this busy and hectic schedule it is difficult for an individual to make time to visit bank for checking their account balance, interest rates, successful transfer of money, and any other update. For that reason Banking system has developed virtual banking system for customer convenience where an individual can access their banking system anytime and anyplace. There are many scenarios when there is banking holiday due to which your money can't be transferred. Online banking system has provides an ease by providing 24 hours and 365 days services. It resolves issues faced by the customers during traditional banking system. An individual don't need to stand in queue for any money deposit and transfer.

III. LITERATURE REVIEW:-

ELECTRONIC BANKING:-

Historically, the launching of the first Automated Teller Machine (ATM) in Finland marked the start of a new banking channel, which made Finland the leading country in E-Banking, before it became widely used in any other developed and developing countries More recently, E-Banking, or the distribution of financial services via electronic systems, has spread among customers due to rapid improvement in IT and through competition between bank .A feature of the banking industry across the globe has been that it is increasingly becoming turbulent and competitive, characterized by an increasing trend towards internationalization, mergers, takeovers and consolidation of the banking industry. Moreover a number of nonbanking companies are entering the banking industry by offering financial products and services e.g., Toyota's credit card, GM's auto financing, Merrill Lynch investments. This has given a myriad of options to customers in choosing banking services. Internet banking has attracted the attention of banks, securities trading firms, brokerage houses, insurance

companies, regulators and lawmakers in developing nations since the late 1990s. With the rapid and significant growth in electronic commerce, it is obvious that electronic (Internet) banking and payments are likely to advance.

COUSTOMER SATISFACTION:-

Satisficing is a person's feelings of pressure or disappointment resulting to his or her expectation. Customer is the level of a persons felt state requesting a product performance (out come) relation of the persons expectations. Customer satisfaction is basically the judgment a consumer makes in relation to his/her sense of fulfilment related to his/her choices about the purchase and use of specific products and services. Customer satisfaction is one of the most important concepts in the field of marketing studies today. Broadly speaking, it links processes culminating in purchasing with post purchase phenomena such as attitude change, repeat purchase, and brand loyalty explains that the feeling of satisfaction arises when customers compare their perception of actual product/service performance with expectations.

VARIABLES OF THE STUDY:-

What is the impact of e-banking on customer satisfaction:-

E- Banking is playing a major role that it's improving the service quality and strengthens the banking sector because of the electronic payment there is increase in customer satisfaction level, increased productivity, reduction in cost of banking operations, settlement faster and in large volumes. E-banking can provide speedier, faster and reliable services to the customers for which they are relatively happy. E-banking services not only can create new competitive advantages, it can improve its relationships with customers. The purpose of this research is to understand the impact of variables of e-banking on customer satisfaction. Customer satisfaction is a measure of how products and services supplied by a company meet or surpass customer expectation. Further definition of customer satisfaction is it is a term generally used to measure a customer's perception of a company's products and/or services. The results of the study indicate that reliability, efficiency, responsiveness, communication, security, and privacy have a significant and positive impact on customer purchasing intentions. Customer purchasing intentions are significantly increased when the customers are satisfied with E-banking service quality. Electronic banking is critical in the transformation drive of banks in areas such as products and services and how they are delivered to customers. Thus, it is seen as a valuable and powerful tool in the development, growth, promotion of innovation and enhancing competitiveness of banks. Given the significant role of electronic banking in the developmental drive of banks, information technology has been found to lead to improvement in business efficiency and service quality and hence attract customers as well as retain them. Customer satisfaction is imperative for the incessant survival of any organization around the world. This research work intends to investigate the impact of E-banking variables on customer satisfaction .Five service quality dimensions; reliability, responsiveness, assurance, tangibles and empathy, derived from the SERVQUAL model with support of literature review have been selected as forecasters of customer satisfaction in E-banking. Research design of the study is quantitative. Data has been gathered through already tested questionnaire from 264 E-banking users as respondents, from different cities. Results of the study have revealed that there is momentous relationship between service quality dimensions and customer satisfaction in E-banking with more weight age of reliability, responsiveness and assurance among the five dimensions. Through this study we can conclude that service quality in E-banking leads to satisfied customers and thus banks can gain competitive advantage by offering better-quality services to their customers in today's emulous world.

TECNOLOGY ON ELECTRONIC BANKING:-

The word technology is not a new one. In fact, the root of the word means to shift or to change, and was used originally in relation to changing nature. Today we think of technology as being about electronics (computers, software, web applications, etc.). Although this is not totally true but we can't deny this also. Today, nobody can think of any organization where technology (either in the form of an Internet presence or just general communication) is not crucial and so is the area of banking. The term "Banking Technology" refers to the use of sophisticated information and communication technologies together with computer science to enable banks to offer better services to its customers in a secure, reliable and affordable manner and sustain competitive advantage over other banks. Technology and digitization have transformed the BFSI sector by enabling them with real-time actionable insights to make informed decisions, creating competitive advantages and elevating consumer experience. This also allows banks to share potential products, upsells, cross-sells, and strategic planning with customers. E-banking and e-commerce formulated as the use of Internet, the Web, and other features to conduct transactions electronically. Therefore, the required features for e-commerce can be settled to E-banking. Researchers found out the features of e-commerce technology. In each technology deployment, the focus must be to elevate digital customer experiences at speed and scale. Technology has been a major disruptor in the way banking was done just a few years ago. While the pandemic accelerated the adoption of technology

across industries and sectors, our dependence on these advancements has been magnified to a great extent. For example, the recent of Reserve Bank of India shows, the total digital transaction volume in 2020-21 stood at 4,371 crores, as against 3,412 crores in 2019-20, attesting to the resilience of the digital payment system in the face of the pandemic. As these technological advancements continue to disrupt the traditional ways of banking, we see a whole new spectrum of newer and faster banking solutions. Online deposits, mobile wallets, e-bill payments, and so on have fundamentally become a norm for how financial transactions are carried out nowadays. With increased consumer demand for digital banking services, artificial intelligence is also at the core of digital banking transformation. These advancements are predominantly followed by the growth of finch and neo-banks that are making the entire banking process more convenient and hassle-free for customers. Technology has been a major disruptor in the way banking was done just a few years ago. While the pandemic accelerated the adoption of technology across industries and sectors, our dependence on these advancements has been magnified to a great extent. For example, the recent of Reserve Bank of India shows, the total digital transaction volume in 2020-21 stood at 4,371 crores, as against 3,412 crores in 2019-20, attesting to the resilience of the digital payment system in the face of the pandemic. As these technological advancements continue to disrupt the traditional ways of banking, we see a whole new spectrum of newer and faster banking solutions. Online deposits, mobile wallets, e-bill payments, and so on have fundamentally become a norm for how financial transactions are carried out nowadays. With increased consumer demand for digital banking services, artificial intelligence is also at the core of digital banking transformation. These advancements are predominantly followed by the growth that are making the entire banking process more convenient and hassle-free for customers.

DETERMINANTS OF ELECTRONIC BANKING:-

A bank is a financial institution licensed to receive deposits and make loans. There are several different kinds of banks including retail banks, commercial or corporate banks, and investment banks. In most countries, banks are regulated by the national government or central bank. The most important determinants independent variables are market share (MS), income diversity (ID), total assets (TA), the equity-to-asset ratio (EQTA), and loans to assets (NL/TA). The government variables used as independent variables are government effectiveness (GEFF) and regulatory quality (RQ). A new method is proposed in order to analyses these data in three layers based on an innovative organization. Seven variables are used. They are combined properly to quantify quality characteristics of the courses and offer useful insights based on their material and usage by the learners. We find that credit unions adopt internet banking services when they provide a higher proportion of individual loans such as real estate loans and credit card loans and when there is increased competition from other financial institutions. Credit unions provide internet banking services when they serve large number of members. The results also confirm that e-banking quality has a strong impact on e-banking loyalty via the mediating effect of e-trust and switching costs have strong a impact on e-banking loyalty. Electronic banking, including internet banking, is a necessary condition for the development, and the country's economic development, e-business, and society. E-banking is a framework that empowers banks' clients worldwide to have access to their records and general data scheme on banks' items at any time they preferred through their own laptop or other intelligent gadget. The development of e-banking act as a banking channel which grants the customers to carry out all of their banking services, such as making online bills payment, checking balance inquiries and transferring money into a different account without bank branch visit However, the main problem in the implementation of e-banking by financial institution is the customers' acceptance towards that e-banking itself. According to Al-Sukkar and Hasan (2004), although customers perceived the easiness of the internet, but they do not change this state of minds towards the application of e-banking. Some of banks' customers are unwilling to use online banking because they do not like the technology at all and fears if the computer can garble their account (Zheng, 2010). Other than that, some customers' dissatisfactions are stems from the fact that they are not aware and knowledgeable about the full range of e-banking services provided by the banks.

IV. CONCLUSION:-

E-banking offers a higher level of convenience for managing one's finances. However, it continues to present challenges to financial security and personal privacy. Many people have had their account details compromised, as a result of online banking. This study aimed to examine the impact of E-Banking service quality on customer satisfaction in the Lebanese banking sector. Similar studies had been done for other countries and markets, as was shown in the literature review; however, none to the authors' knowledge had been done in the Lebanese banking sector. The study followed the quantitative approach where a survey was distributed among bank clients in Lebanon and the data were analyzed using SEM with AMOS. Findings suggest that the four hypotheses in this study were supported by the data, and the main contribution of this study was that reliability, as a service quality variable, was the main predictor of customer satisfaction in this particular market. This research paper aims make an original contribution to the existing knowledge by

investigating the impact of internet banking service quality on customer satisfaction This research paper aims make an original contribution to the existing knowledge by investigating the impact of internet banking service quality on customer satisfaction. This research paper aims make an original contribution to the existing knowledge by investigating the impact of internet banking service quality on customer satisfaction. The various dimensions of the internet banking service quality that were taken into consideration while making the study were: Efficiency, System Availability, Fulfilment, Responsiveness, Privacy, Contact and website design. The study revealed that efficiency, privacy and website design are the major integral determinants of internet banking services quality. The empirical results show that there is a direct relationship between internet banking service quality dimensions and customer satisfaction in the banking industry. An understanding of the factors, revealed in the study, allows bank managers and policy makers to undeviating efforts and resources most effectively and efficiently to increase the bank business in the long run and encourage new customers to adopt internet banking and to retain the existing ones. This study was conducted to know about the impact of internet banking services on customers and their satisfaction towards the services offered with reference to Thrissur town. It is clear from this study that all the respondents are users of internet banking services. There are a wide variety of banking services offered online and all the respondents are users of one or the other service. Majority of the respondents uses internet banking service for online purchase and payment. People prefer internet banking for better convenience and to make banking a hassle free process. Clearer service has made an impact on users to promote internet banking compared to manual banking. So we can clearly understand that internet banking plays a tremendous and very important role for the growth of the banking sector.

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