



# An Empirical Study Towards Customer Satisfaction In E-Banking Services

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## Abstract-

The banking sector has been quick to adopt online banking as a methodical and practical tool to create value for its customers. It's among the preferred services offered by the conventional banks must provide prompt and trustworthy services to internet users. Given how quickly computers have developed Also a mercantile: technology, Internet banking has the potential to utilized to encourage more customer to handle their banking exchanges between linked banks. This occurs as a result of to the services provided by e banking have consequently distance to satisfy their customers. Having satisfied customers is a crucial element in supporting banks' aggressive borders. Therefore, the purpose of this study is to investigate and examine the component that affects the customer contentment with e banking. The following five elements can influence how satisfied customers are with e banking: web design, transaction speed, security, and privacy issues. Based on the secondary data study's findings demonstrated that each of the elements strongly correlated with e customer happiness banking. The findings of this study showed that security, privacy concern, and quality of service are the top three variables that affect customer pleasure in the direction of e banking.

**Keywords:** Customer satisfaction, transaction speed, site design, service quality, privacy concern, and security.

## 1. Introduction

Banking services, along with the Internet, which might be provided at a lesser cost and in a comparable amount. to the greater number of possible customers. At any time of day or night, communications from all over the world might be made. In other words, banks are able to grow their market without having to open new locations. The Indian banks are utilizing the Web to access opportunities divided into three groups: to sell information, to provide financial services and goods, and to enhance customer connection. These days, banks appear to be hopping on the Internet banking bandwagon. Why has this suddenly happened? a rise in

bank interest in e banking? The primary cause is due of the enhanced encryption and security techniques created on the Internet. The procedure via which a customer can conduct banking transactions electronically without going to a physical institution is referred to as electronic banking. The terms listed below all pertain to a single type or Internet and personal computer (PC) banking are two more forms of electronic banking.

Remote electronic banking, home banking, virtual banking, online banking, and banking over the phone and banking. Internet and internet banking via PCs is the most popular titles. However, it should be mentioned that the phrases frequently employed to characterize the different kinds of electronic banking interchangeable. Neither banks nor their clients are unfamiliar with the practice of electronic banking. Banks have been using software programs to provide their services to clients online for many years. These programs Applications made it possible for the user's PC to call the bank directly. In But historically, banks have been incredibly hesitant to offer their clients because of security concerns, when banking online.

It is anticipated that the banking sector will dominate e-business. While banks in wealthy nations typically use the Internet to conduct business, banks in poor nations that are not branch offices use the Internet as a tool for information transmission to strengthen customer relationships. Financial institutions have created a website with a variety of goals, the majority of which introducing the Internet as a fresh avenue for distribution. The Secondly, banks were reluctant to forfeit a possible portion of their market share to banks that operated quickly E-banking services were provided by numerous institutions, including UTI, Global Trust Bank (GTB), IndusInd, IDBI, Citibank, HDFC, ICICI, and Bank of Punjab. Considering the aforementioned data and the opinions of professionals, India e-banking had a significant development potential, so the participants concentrated on raising and enhancing their e banking offerings. Among other things, the banks started to Work together using internet tools.

Even though many Asian nations have strong Internet connections, security is the main thing impeding the expansion of e-banking in the region. Another problem is having access to high-quality e-banking products. When compared to banks in industrialized countries, the majority of Asian banks only provide the most basic services. nations. However, it appears that e-banking will survive throughout Asia. As stated by E-banking will be successful if the fundamental aspects, particularly bill payment, are efficiently managed. Bill payment was mentioned as the most used feature. by 40% of those who took the survey. But offering this service would be challenging for Asian institutions because it calls for a high degree of security.

In 2001, an Indian Reserve Bank a survey found that over 20 significant banks were either providing e-banking or services offered at different levels or those that are scheduled to happen soon. Several of the ICICI Bank, HDFC Bank, IndusInd Bank, IDBI Bank, and other private banks were among the UTI Bank, Bank of Punjab, Global Trust Bank, and Citibank. In the same year, of the estimated 0.9 million people that use the Internet, around It was stated that 17% of people banked online. The figures above demonstrate that e-banking in India does have a lot of room to develop.

## 1.1 Trends in E-Banking

One of the obvious developments in the banking sector that is readily apparent is convergence. Here, providing banking, brokerage, and insurance is not what is meant by convergence. services via the Internet under a single company name. It addresses various aspects, such as sales, back-office procedures, culture, and channel delivery and the infrastructure for knowledge management, which is all connected via online. These many characteristics are seldom taken into account by banks. Rather, they see convergence only as a development that is focused on products. will let them sell things to one another. A tactic that stops short of Product convergence will inevitably have certain drawbacks. As an illustration, consider a circumstance in which customer care representatives at a bank that is necessary to respond to inquiries about banking, brokerage, and insurance that via a variety of methods, such as the Internet, branches.

The success of convergent banking institutions' e-businesses depends on effective knowledge management. On the other hand, extensive information sharing and cross-organizational collaboration are needed for this. An efficient knowledge management system will significantly enhance the organization's capacity to understand its customers. Strong front-end customer information management systems combined with effective fulfilment procedures can help banks shorten the duration of their product and service deliveries. When convergence is successful, it will assist them in creating an efficient supply chain that will be clear to the customers. The trend of banks becoming more customer-centric rather than product-centric is another development in e-banking. Customers now have access to demand-side technologies and wealth management choices thanks to the Internet.

They have the power to specify the kinds of goods and services they need. As the Banks can now provide requested goods and services more swiftly thanks to the internet. In order to thrive in the online space, banks need to consistently set themselves apart from their rivals, expand their customer base, and offer valuable goods and services. Wells Fargo, for instance, had moved 1.4 million of its traditional banking clients via the internet in five years following the creation of its website for transactions. Still, the business had kept up its Internet strategy as an addition to current channels and discovered that its online banking clients had a greater than 50% lower likelihood of quitting the bank. compared to non-Internet users. The bank kept forming new partnerships and increased the range of services it offered on the web to keep up its lead.

## 1.2 Indian E-Banking Landscape

The international survey states that a Brick and Mortar bank transaction costs around \$1.1. When using an ATM, it costs about \$0.27. and, in the case of Internet banking, just 1% of over-the-counter banking. Consequently, the Indian banking sector is witnessing a remarkable shift in the Kaliber of service that they offer. The source of this change is technology, which is adopted by the banks in an effort to attract more customers, Near by all The banks in the private sector are e-enabling their current goods. Leading the way in this are ICICI Bank and HDFC Bank. bringing online banking to India. The first step in using internet banking is to move current goods and services online. Initially, these were limited to basic operations including obtaining interest rate information, monitoring account balances, and computing loan qualification.

Later, online bill payment was added to the list of services. money transfers between accounts and cash management offerings for businesses. Banks have just begun to build up B2B payment channels. as well as B2C deals. This is to make online payments easier. transactions made via credit cards or by directly debiting bank accounts. Banks can receive revenue based on commissions from sales or transactions. bringing about an increase in income. In addition to e-banking, e-commerce has excellent future possibilities due to its predicted rapid expansion. Real-time financial intermediation is essential for e-commerce to succeed, but few banks are providing it. this in India. The ideal fusion of client interaction and being technologically proficient is necessary to rule the financial intermediation of online shopping. Private sector banks are the only ones who can offer such services? They have little opposition and are all set to lead the segment. from banks abroad. In the future, as the proportion of e-commerce, As the economy grows, these banks ought to be able to increase their market share. aside from increasing revenue from fees.

With competitors' e-banking just a click away, banks that have already embraced e-banking will need to keep improving their offerings to attract and keep prospective clients. Furthermore, one cannot afford to rely solely on online banking; physical stores will still be necessary. play a significant part. For those who haven't started yet are disregarding the by avoiding the newest technologies and losing out on potential clients. E-banking is revolutionizing the global banking sector and has evolved into a vital survival tool. These days, a mouse click can provide customers with financial services at a significantly reduced cost in addition to gives them unparalleled autonomy in selecting suppliers for their requirements for financial services. Nowadays, no nation can decide whether to implement Considering how competitive and global the economy is, should I use e-banking? Banks must modernize and always consider fresh, creative ideas. specialized services and packages to stay competitive. The incursion of Technology-driven banking has brought about the information age and commoditization, of financial services.

## 2. Literature Review-

According to **Singh et al. (2017)**, function of banks in a nation's economic development is crucial. A bank is a financial institution that accepts deposits and uses them to fund loans. activities carried out directly or via capital markets. An interface for a bank customers with capital surpluses against those with capital deficits. The Indian savings and investments sector is facing some challenges, namely challenges related to value. management, customer happiness, client retention, consumer loyalty, and quality service have a significant role in achieving customer loyalty and fostering brand commitment in maintaining financial separation. Nowadays, a lot of people utilize the internet. several institutions in the public and private sectors to offer a range of banking services to the customers.

**Ahmad and Haliq (2017)** study investigate customer loyalty to electronic money management, or "e-keeping." benefits of money in the Saudi domain of money keeping and to address problems with the nature of administrative services by focusing on the following: (i) ease of usage; (ii); Data security and unchanging quality, as well as how they affect how clients view electronic administrative services; (iii) the tools for monitoring and controlling these administrations. The analysis used an illuminating and scientific methodology, compiling the most important data using an overview. It examined various areas of internet

banking services provided by Saudi Arabian banks to shed more light on these services and customer preferences, while also taking into account the current considers information that is optional in this field. E-banking is revolutionizing the global banking sector and has evolved into a vital survival tool. These days, a mouse click can provide clients with financial services at a significantly reduced cost in addition to gives them unparalleled autonomy in selecting suppliers for their requirements for financial services.

**Revathi and Saranya (2016) study focus on Dimensions of Service Quality and Customer Satisfaction: Banking.** The current economic climate has led to a rise in interest in customer service in banking industry. It was determined that customer satisfaction is a leading indication of future conduct as well as financial outcomes in this industry. An effort has been made to connect Customer satisfaction and service quality with a 673 sample the information was gathered via questionnaires from Public Sector Bank and Private Chennai's foreign and sector banks. The study's analysis method was ANOVA, t-test, and correlation. The outcomes showed that there is a favourable link between client happiness and service quality characteristics.

**Osei and Seth (2015)** examined consumers' preferences in service delivery through an analysis of TAM and IDT on Means-End Theory in the Banking Sector: Ghanaian Example Ghana's Commercial Bank Ltd. has determined the Kaliber of customer care preference for service characteristics and assesses the significance of service systems linked characteristics to customers' preferred services. The findings demonstrate that despite the despite the significant modifications to the bank's service delivery, customers continue to choose the conventional method of providing services. The outcomes have also demonstrated inverse link between clients' preferred services and the perceived financial expense of those services, although favourable circumstances, perceived benefits of services, and social influence have strongly influenced the service choice of customers.

**Bultum (2014)** in his study paper titled "Factors Affecting the Adoption of Electronic Banking System in Ethiopian Banking Industry" has determined the elements influencing the uptake of online banking in the Ethiopian financial sector. The study's findings have revealed that the primary obstacles that the Ethiopian banking sector must overcome to use electronic banking are: lack of ICT, lack of legal and regulatory framework, lack of trust, and security risk. infrastructure and the lack of rivalry between international and local banks.

**Okiro and Ndungu (2013)** study titled "The Impact of Mobile and Internet Banking on Performance of Financial Institutions in Kenya examined the effects of internet and mobile banking on performance. of Kenya's financial institutions. Additionally, the study has determined how widely used Financial institutions' internet and mobile banking systems. The research has discovered that the Online bill payment is the least common internet banking function, whereas balance inquiries are the most common. payment. The most frequently utilized mobile banking function is cash withdrawal. While the least usual usage is buying commodities.

**Edwin Agwu (2012)** study named "A Qualitative Study of the Problems and Prospects of Online Banking in Developing Economies - Case of Nigeria" was conducted to examine the issues and potential of online banking in emerging economies with Nigeria. The investigation has uncovered the different explanations for

Nigeria's lack of use of online banking services. The results serve as a foundation for financial managers to comprehend the causes of this novel product's lack of adoption services and provides avenues for improving awareness-raising and promotion.

**Muneer Abbad (2012)** article "The Development of E-Banking in Developing Countries in the Middle East," discussed how the most frequently requested services are balance inquiries, bank statements, checks, books, bill payment, account transfers, phone banking, and books. requests for money wiring (internal), interest rates, and currency rates as well as outside). Additionally, the factors that most affect client demand for These services include the variety of online banking options and their very simple accessibility. employ. Additional factors are the clients' educational attainment and their opinions about the amount of risk and the total cost.

### 3. Research Methodology-

#### 3.1 Research Objectives

The following are the objectives of the present study

- To evaluate how satisfied customers are with the various services offered by e banking.
- To gauge the level of satisfaction that online bank customers have with the services offered by e banking.

#### 3.2 Research design:

To put it simply, descriptive research is a study intended to reflect the participants.

The goal of research is to assist those who participate. within the research

**3.3 Source of data:** The process of producing and gathering data is referred to as data collection. Second-hand Data: Publicly available websites and online journals reports and reviews of previously published material articles.

### 4. Findings

The researcher conducted an extensive investigation on the issue of "E-Banking Practices and Customer Satisfaction:- An Empirical Study," and came to the following key conclusions, recommendations, and summary. The secondary report makes clear that men make up 70.68 percent of respondents in banks operating in both the public and private sectors. According to the survey, the public sector bank has respondents in the age range of over, whereas the private sector bank has a higher percentage of respondents (61.36 percent) in the 25–35 age group. Findings suggested that consumer satisfaction with e-banking services, respondents from public sector banks received the lowest score for ATM services. Based on the investigation, it can be concluded that the Customers of private sector banks can easily access and use online banking services. relative to a public sector bank. When it comes to convenience, respondents from public sector banks scored lower on average than those from private sector banks. Thus, it can be deduced from the study's confidential Customers of sector banks find it more convenient to use online banking services when relative to banks in the private sector. With the exception of ATM services offered by public sector banks, all

respondents reported feeling private when using e-banking. Regarding e-banking services, all respondents concur that public and private sector banks have implemented security measures.

The overall level of customer satisfaction indicates that users of online banking are not very satisfied with these services, and the percentage of customers who are satisfied with online banking in private sector banks is superior than public sector banks. The outcome for convenience, respondents from public sector banks scored lower on average than those from private sector banks. Thus, it can be deduced from the study's confidential Customers of sector banks find it more convenient to use online banking services when relative to banks in the private sector. In terms of ease of use for internet banking services, bank customers in the private sector are more satisfied than those in the public sector.

The banking industry in India has undergone a complete overhaul in recent years. There are many opportunities available to banks, but they also face many problems. Numerous financial advancements, including mobile banking, ATMs, credit cards, RTGS, debit cards, and etc. have drastically altered the Indian financial landscape. However, it is still necessary to possess more creative alternatives to overcome obstacles and seize chances. can be effectively obtained by Indian banks. BY the investigation carried out on We shall draw the conclusion that "customer's expertise with E-banking" fully respects the Customers are content with their bank account. The customer's main worries are security and privacy due to the rise in online fraud, incidences of cheating, and hacking.

## 5. Conclusion

Today the E-banking has, in general, altered the conventional ways that banks operate. The way banks function now is impacted by these shifts in technology, competition, and lifestyle. In actuality, the client had to physically to perform banking procedures, stop by the bank office. Along with the since the advent of online banking, clients are saving time and money since they don't need to go to the bank office in person. All banks are aware that they have to thrive, they must offer their clients some form of online banking. By means of Through online banking, banks are better able to uphold their relationship with clients because Customers of online banking typically engage with offered services more. Additionally, it boosts bank profits and makes it easier for them to obtain a competitive edge by means of banking distinction. Thus, transaction may be handled online with real internet banking at any time, anywhere, and without having to contact a branch. Offering e banking is becoming into a "need to have" feature rather than a "nice to have." it seems that providing exceptional service quality is a need for the success of any businesses that provide services. With the increasing use of electronic banking, these days Customers are assessing banks more highly due to their "high-touch" attributes than its "high-tech" components in the majority of emerging nations, such as India. In the banking industry, operationalizing customer pleasure is not entirely clear. and it ought to be operationalized using the same parameters that make up service quality.

Thus, if the financial sector implements the aforementioned recommendations provided by the investigator, it will undoubtedly provide a significant contribution to the current corpus of knowledge regarding customer satisfaction in the Indian banking industry, it is advised that comparable future studies be carried out encompassing all of the Indian states and in addition to distinguishing between the public and

private sectors, with larger sample sizes banks. Additional investigation is necessary to determine the significance of customer satisfaction. on the financial results of the banking sector and other service sectors. Additional research is necessary to examine concerns pertaining to online deeper level of banking and the tactics that banks should use to Regarding online, they can raise the degree of e-satisfaction and e-loyalty.

## 6. Suggestions

The customers should find it easy to utilize e-banking in terms of approach, convenience, availability, comprehension, and suitability. Additionally, it must be appropriate for all clientele, including those who are physically contested. E-banking services ought to meet and exceed the expectations of its clients. For the customers to correctly utilize the services, the bank needs to set up the demonstration programs. A stronger Internet connection is crucial to the success of online banking. For the banking sector to increase client satisfaction, consistent internet connectivity and a steady power supply are consequently necessary. More ongoing public education and awareness campaigns are needed to inform customers about using e-banking services, including how to maintain ATM cards properly and conduct various online transactions without leaving space for fraud. Cybercriminals, and guaranteeing enhanced protection for their virtual exchanges. Convenience is something that banks should focus on especially by offering the clients with access to electronic banking services at convenient reachable. The administration of the banks ought to enhance their ATM systems as well. Statements for each electronic transaction should be made available by the banks. Customers will be able to check the accuracy of every transaction, including the transaction confirmation. Banks ought to host conferences and seminars to inform their clients on the security and privacy of their accounts as well as how to use internet banking.

The banks should educate their clients on how to use e-banking services and increase customer awareness. Together with trainers and experts, the Reserve Bank of India and banks should organize a concerted campaign to Customers should be trained to use the online banking system. The extension of network coverage by telecommunication departments and cellular service providers is necessary to enable online banking, m-banking, and communication in remote and rural locations. The state ought to give cellular service providers conditional financial support so they can offer such networks seen in rural regions. Public access to electronic banking facilities must be provided at no cost whenever feasible. Bank employees will receive marketing training to promote the various online banking services, with a focus on ATMs, Internet banking, plastic cards, and online tax services. Real-time gross settlement and accounting system.

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