

STUDY ON CUSTOMER SATISFACTION ON E-BANKING SERVICES

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ABSTRACT

E-banking is that the application of electronic means in interaction between bankers and customer, and bankers and businesses, still as in internal banking operations, to simplify and progress the banking services. Today, approximately all banks have adopted ICT as a mean of improving the service quality of banking services. An attempt has been made by evaluating the services rendered by banks through the E – banking services. The e-banking service bring slot of convince, customer centricity, augmented service quality and price effectiveness. A structured questionnaire was utilized in collecting the relevant data from the shoppers respectively. More number of researchers and experts quoted that, service quality can be improved through advanced information and communication technology (ICT). This paper examines the customer satisfaction on the Electronic Banking Services of Banking sector. The sample size of the study is 150; the info is gathered from Google forms due to corona situation.

Key words: E-banking services, Customer satisfaction.

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1. INTRODUCTION

Electronic banking use of computers and telecommunications to enable banking transactions to be done by telephone or computer rather than through human interaction. Its features include electronic funds transfer for retail purchases, automatic teller machines (ATMs), and automatic payroll deposits and bill payments. Some banks offer home banking, whereby a person with a personal computer can make transactions, either via a direct connection or by accessing a Web site. Electronic banking has vastly reduced the physical transfer of paper money and coinage from one place to another or even from one person to another.

According to Kotler and Keller (2009), “customer satisfaction is a person feeling of pleasure or disappointment resulting from comparing a products perceived performance in relation to his or her expectation.” Rao (2008) draws the basic formula of customer satisfaction, Customer satisfaction = Customer perception of the service received - Customer expectation of service.

1.1. History and Evolution of e-banking

In 1996 Industrial Credit and Investment Corporation of India was the first to use Electronic banking in India by introducing online banking services in branches. Its initiatives were followed by HDFC Bank, IndusInd Bank and Citibank, who started provided online banking facilities in 1999. While financial institutions took steps to implement e-banking services in the mid-1990s, many consumers were hesitant to conduct monetary transactions over the web. It took widespread adoption of electronic commerce, based on trailblazing companies such as America Online, Amazon.com and eBay, to make the idea of paying for items online widespread. By 2000, 80 percent of U.S. banks offered e-banking. Customer use grew slowly. At Bank of America, for example, it took 10 years to acquire 2 million e-banking customers. However, a significant cultural change took place after the Y2K scare ended. In 2001, Bank of America became the first bank to top 3 million online banking customers, more than 20 percent of its customer base. In comparison, larger national institutions, such as Citigroup claimed 2.2 million online relationships globally, while J.P. Morgan Chase estimated it had more than 750,000 online banking customers. Wells Fargo had 2.5 million online banking customers, including small businesses. Online customers proved more loyal and profitable than regular customers. In October 2001, Bank of America customers executed a record 3.1 million electronic bill payments, total more than \$1 billion. In 2009, a report by Gartner Group estimated that 47 percent of U.S. adults and 30 percent in the United Kingdom bank online.

1.2. Evolution

The story of technology in banking started with the use of punched card machines like Accounting Machines or Ledger Posting Machines. The use of technology, at that time, was limited to keeping books of the bank. It further developed with the birth of online real time system and vast improvement in telecommunications during late1970’s and 1980’s.it resulted in a revolution in the field of banking with “convenience banking” as a buzzword. Through Convenience banking, the bank is carried to the door step of the customer. The 1990’s saw the birth of distributed computing technologies and Relational Data Base Management System. The banking industry was simply waiting for the technologies. Now with distribution technologies, one could configure dedicated machines called front-end machines for customer service and risk control while communication in the batch mode without hampering the response time on the front-end machine.

- Traditional banking ⇒ Virtual or E-banking
- Gunpowder ⇒ Nuclear charged
- Personalised services, time consuming, limited access ⇒ Real time transactions, integrated platform, all time access

Intense competition has forced banks to rethink the way they operated their business. They had to reinvent and improve their products and services to make them more beneficial and cost effective. Technology in the form of E-banking has made it possible to find alternate banking practices at lower costs.

2. REVIEW OF LITERATURE

Cheolho Yoon (2010) investigated the customer satisfaction with online banking in China. The researcher investigated the effects of experience on the relationships between the antecedents and customer satisfaction. The results of the study showed that the variables like design, speed, security, information contents and customer support service have a significant influence on online banking customers.

Tooraj Sadeghi, Kambiz Heidarzadeh Hanzaee (2010) studied the Customer satisfaction factors (CSFs) with online banking services in an Islamic country: I.R. Iran using seven factors convenience, accessibility, accuracy, security, usefulness, bank image, and web site design. The researchers found that there is a significance difference between male and females underlying customer satisfaction with electronic banking services in the Islamic country, Iran.

Hazlina Abdul Kadir, Nasim Rahmani and Reza Masinaei (2011) portrait the effect of services offered by Malaysian banks through online media. This is attempted to identify among the ATM, Customer satisfaction, Online banking, Service quality, which factors have the most effect and which factors have the least effect on customer satisfaction level. Finally the researcher concluded that Malaysian anchor banks are required to improve their services in order to fulfill the customers need.

A study by Chu, Po-Young; Lee, Gin-Yuan; Chao, Yu (2012) entitled Service Quality, Customer Satisfaction, Customer Trust, and Loyalty in an E-Banking Context examined the relationships between service quality, customer satisfaction in, customer trust of, and loyalty to Taiwanese e-banks. The result of the study found that that e-bank must focus on service quality to increase customer satisfaction and trust and to obtain customer loyalty. Implications are discussed in relation to e-bank management.

Uday Singh Rajput (2015), studies the customers satisfaction on online banking services and its impacts on banks. This paper focuses on appraising the customer perception about E-Banking services.

3. STATEMENT OF PROBLEM

Due to covid-19 situation we are not able to direct contact to respondents. So that the researcher get information through the Google form. The research studies the current level of satisfaction toward e-banking services among the customers in bank. In traditional banking, the customer has to visit the branch of the bank in person to perform the basic banking operation, viz. account enquiry, fund transfer, cash withdrawals etc. but in E-banking services enables customers to perform the basic banking transactions by sitting at their office or home through viewing their account details and perform the transaction through PC, laptops or mobile phones.

4. OBJECTIVES OF THE STUDY

To study the customer satisfaction towards the E-banking services the following objectives are framed.

- To identify the factors those are influencing the customer`s satisfaction in E-banking services.
- To study the level of satisfactions of the customers using E-banking services.
- To know which factor influences customer satisfaction toward e-banking.
- To identify most widely used application of e-banking and reasons for preferring online banking
- To analyze the problems faced by customer while dealing with online banking service

- To give feedback and suggestions to improve the service quality of online banking in future.

4.1. Methodology

The study includes primary and secondary data. However, the Primary Data was collected from the respondents by way of circulating the questions in Google form. The secondary data is obtained from websites as well as from books, magazines, periodicals, brochures etc. The data collection is classified as Primary data and Secondary data. Primary data are collected directly by way of using questionnaires. So it will be reliable and accurate and can easily by respondent. Here secondary data were collected from the newspapers, official website of Banks, other web sites and also from previous project reports in related areas.

4.2. Research Design

A research design is basis frame work, which provides guidelines for the rest of research process. The research design specifies the method of study. Research design is prepared after formulating the research problem and need to be most suitable to solve the problem. Population here the researcher selected 150 Respondents from various sector.

4.3. Sample Size

It refers to the number of items to be selected from the universe to constitute a sample. An optimum sample is one, which full fills the requirement of efficiency, representative, reliability and flexibility. So the researcher selected 150 respondents as sample from the population.

5. ANALYSIS OF TOOLS WITH INTERPRETATION

Gender:

Personal factor	Classification	No. of respondent	Percentage
Gender	Male	80	53.3%
	Female	70	46.7%

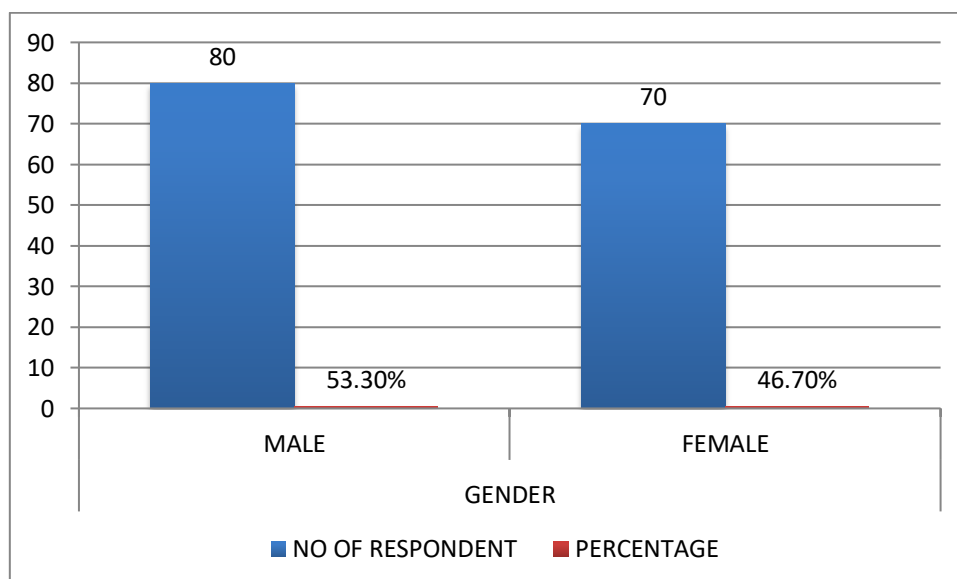


Figure 1

The above table shows the gender of the respondents 53.3 percentages of the respondents are male. 46.7 percentages are female.

Age

Personal factor	Classification	No. of respondent	Percentage
Age	Upto 25	85	56.7%
	26 to 35	20	13.3%
	36 to 45	25	16.7%
	46 and above	20	13.3%

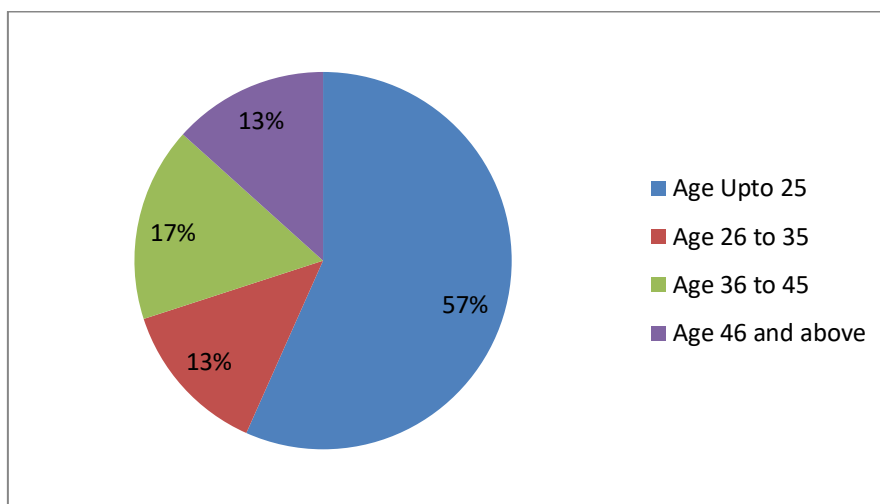


Figure 2

The above table shows the age of the respondents.56.7 percentages of the respondents are in the category of up to 25 years.13.3 percentages of the respondents are in the category of 26 - 35 years.16.7 percentages of the respondents are in the category of 36 - 45 years.13.3 percentages of the respondents are in the category of 46 - 55 years.

Education

Personal factor	Classification	No. of respondent	Percentage
Education	Upto Hsc	32	21.3%
	Degree	74	49.3%
	P.g and above	15	10%
	Others	29	19.3%

The above table shows the Educational Qualification of the respondents.21.3 percentages of the respondents are in the category of high school education.49.3 percentages of the respondents are in the category of degree.10 percentages of the respondents are in the category of post graduate and above.19.3 percentages of the respondents are in the category of others.

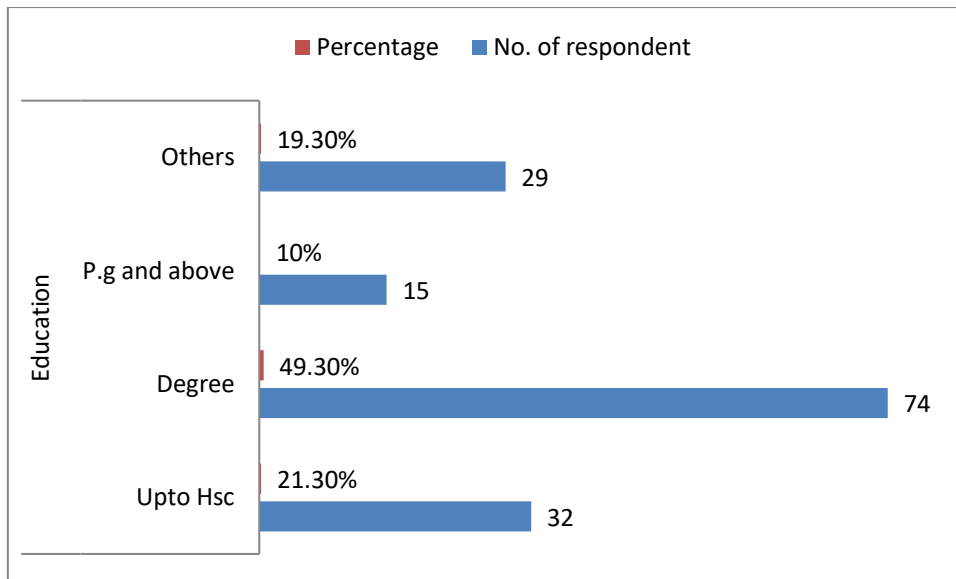


Figure 3

Occupation

Personal factor	Classification	No. Of Respondent	Percentage
Occupation	Student	77	51.3%
	Employed	29	19.3%
	Business	17	11.3%
	Housewife	27	18%

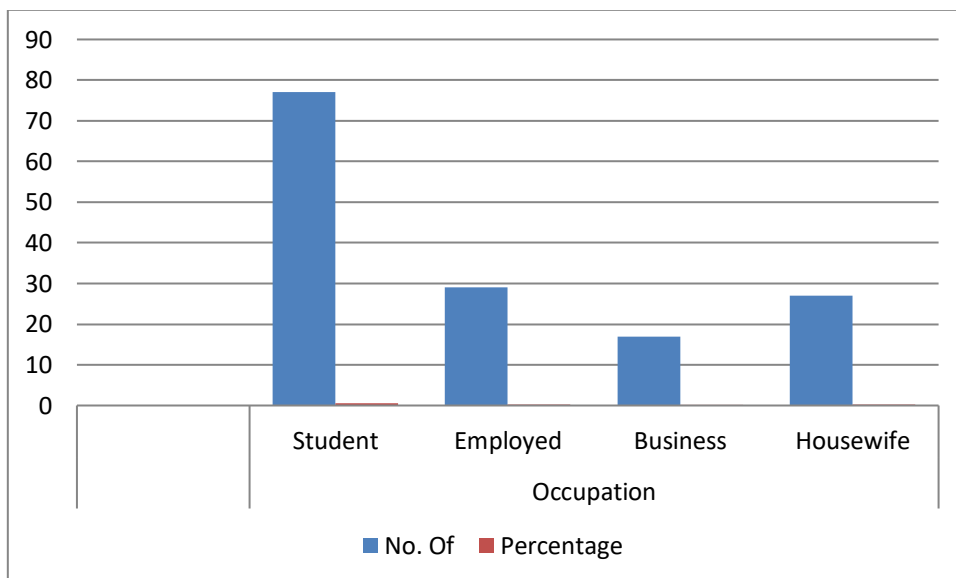


Figure 4

The above table shows the Occupation of the respondents. 51.3 percentages of the respondents are in the category of students. 18 percentages of the respondents are in the category of house wife. 11.3 percentages of the respondents are in the category of business. 19.3 percentages of the respondents are in the category of employed.

Monthly Income

Personal Factor	Classification	No. of Respondent	Percentage
Monthly income	0 to 15000	101	67.3%
	15001 to 25000	23	15.3%
	25001 to 35000	15	10%
	Above 35000	11	7.3%

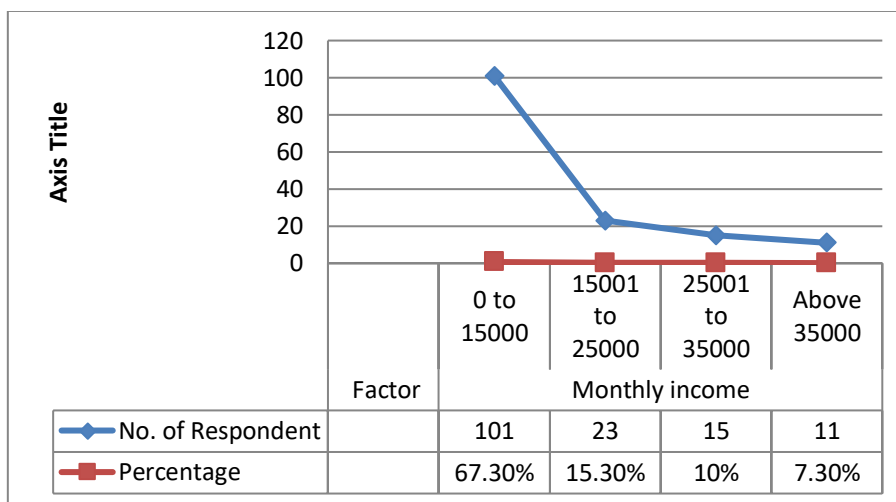


Figure 5

The above table shows the Monthly income of the respondents. 67.3 percentages of the respondents are in the category of 0 to 15000. 15.3 percentages of the respondents are in the category of 15001 to 25000. 10 percentages of the respondents are in the category of 25001 to 35000. 7.3 percentages of the respondents are in the category of above 35000.

Aware of e-banking service

Personal factor	Classification	No. of respondent	Percentage
Are you aware of e-banking service	Yes	125	83.3%
	No	25	16.7%

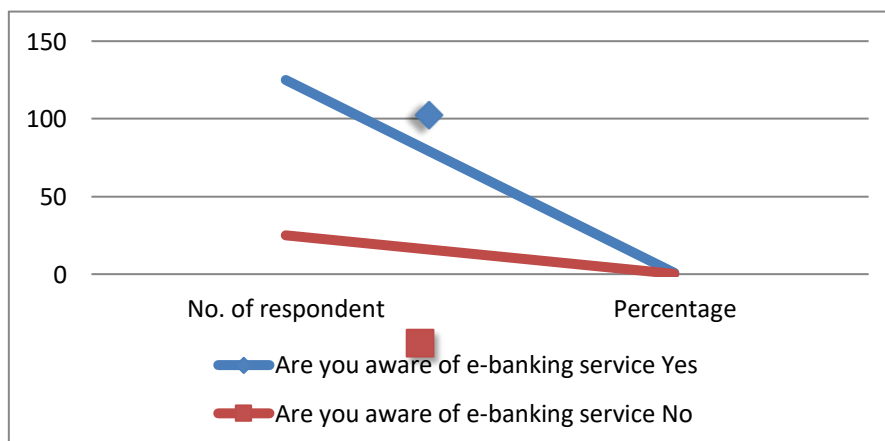


Figure 6

The above table shows the Aware of E-banking service of the respondents.83.3 percentages of the respondents are replied has YES.16.7 percentages of the respondents are replied has NO.

Sources information collected

Personal factor	Classification	No. of Respondent	Percentage
Where did you get information about e – banking services	Social media	56	37.3%
	Friends	37	24.7%
	Advertisement	20	13.3%
	Banks	37	24.7%

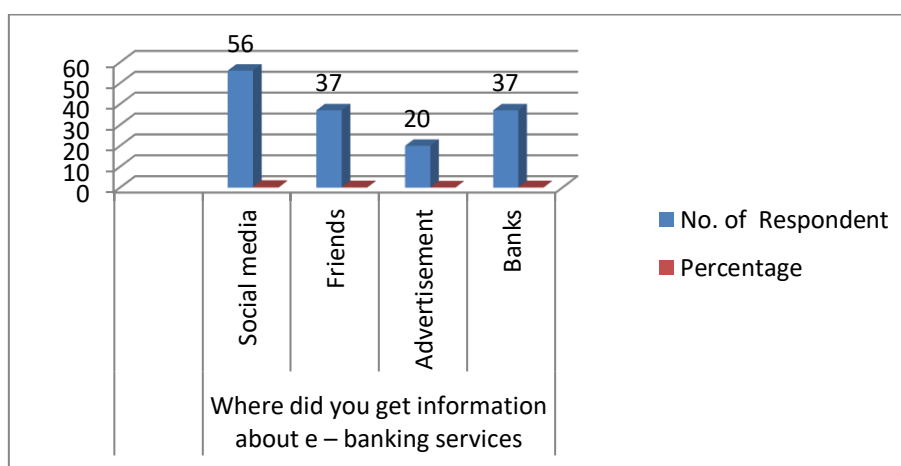


Figure 7

The above table shows the Information about E-banking services of the respondents.37.3 percentages of the respondents are got information from social media.24.7 percentages of the respondents are got information from friends.13.3 percentages of the respondents are got information from advertisement.19.3 percentages of the respondents are got information from banks.

Type of services used

Personal factor	Classification	No. of Respondent	Percentage
Which type of e – banking services are you using	Online banking	79	52.7%
	ATM and debit card	102	68%
	Mobile banking	61	40.7%
	Fund transfer service	32	21.3%
	E– statement	34	22.7%

Study on Customer Satisfaction on E-Banking Services

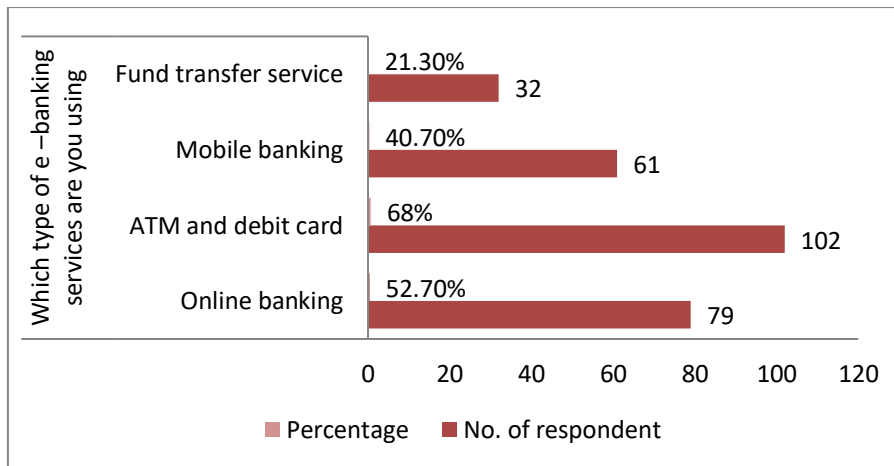


Figure 8

The above table shows the types of e-banking service using by respondents. 52.7 percentages of the respondents are using for online banking. 68 percentages of the respondents are using for ATM and Debit card purpose. 40.7 percentages of the respondents are using for mobile banking. 21.3 percentages of the respondents are using for Fund transfer. 22.7 percentages of the respondents are using for E-statement.

Primary reason for motivate e –banking services

Personal factor	Classification	No. of Respondent	Percentage
What is the primary reason that first motivated you to use e –banking services?	To know technology	66	44%
	Time savings	116	77.3%
	More secure than cash	33	22%
	Cost savings	34	22.7%

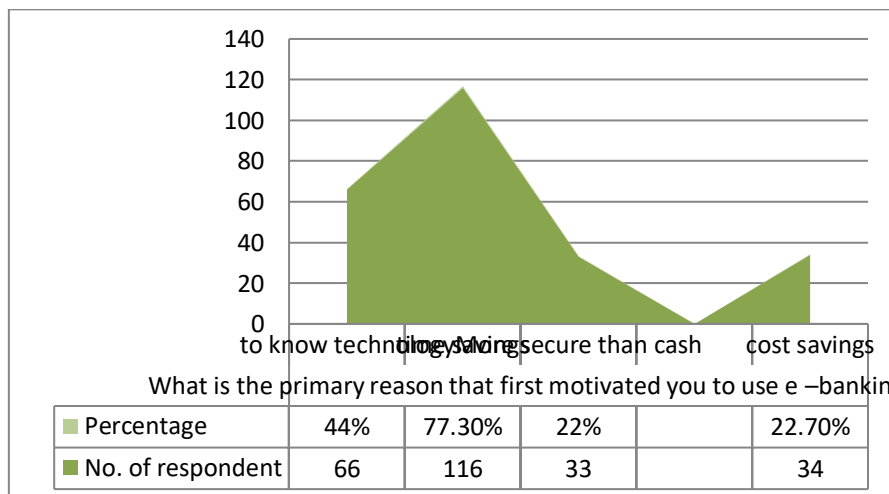


Figure 9

The above table shows the motive of E banking services of the respondents. 44 percentages of the respondents are to know technology. 77.3 percentages of the respondents are saying time

savings.22 percentages of the respondents are saying more secure than cash.22.7 percentages of the respondents are saying cost savings.

Using e-banking services

Personal factor	Classification	No. of Respondent	Percentage
Using e – banking services are nowadays must	Strongly disagree	3	2%
	Disagree	9	6%
	Neutral	34	22.7%
	Agree	71	47.3%
	Strongly agree	33	22%

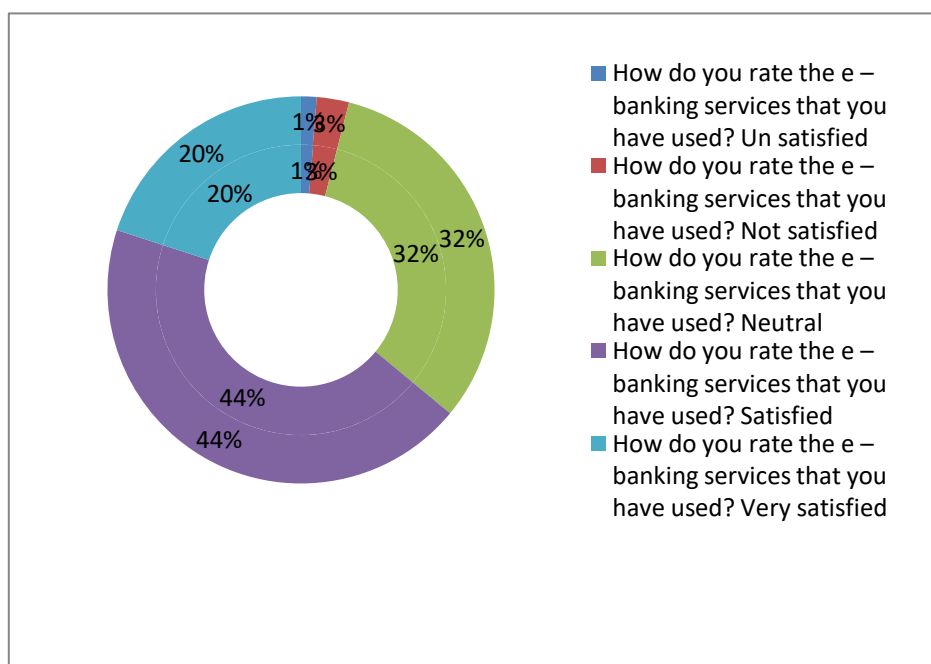


Figure 10

The above table shows the using E banking service now days must. In that 47.3 percentages of the respondents are saying agree. In that 22 percentages of the respondents are saying strongly disagree. In that 22.7 percentages of the respondents are saying are neutral. In that 6 percentages of the respondents are saying disagree. In that 2 percentages of the respondents are saying strongly disagree.

Using e-banking services makes the handling of payment easier

Personal factor	Classification	No. of respondent	Percentage
Using e – banking services makes the handling of payment easier.	Strongly disagree	3	2%
	Disagree	6	4%
	Neutral	35	23.3%
	Agree	58	38.7%
	Strongly agree	48	32%

Study on Customer Satisfaction on E-Banking Services

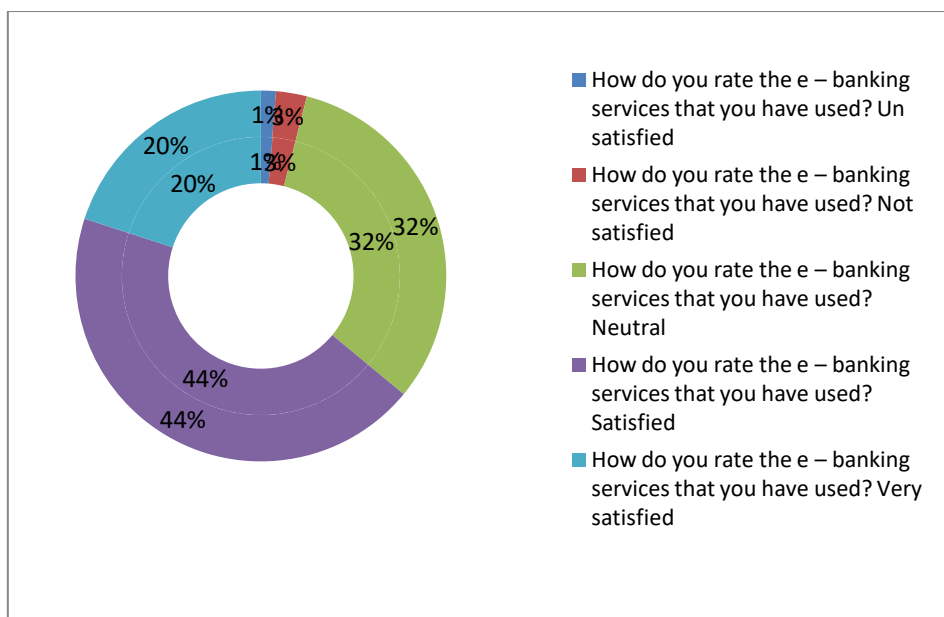


Figure 11

The above table shows the using E banking service must the handling of payment easier. In that 38.7 percentages of the respondents are saying agree. In that 32 percentages of the respondents are saying strongly disagree. In that 23.3 percentages of the respondents are saying are neutral. In that 4 percentages of the respondents are saying disagree. In that 2 percentages of the respondents are saying strongly disagree.

Use of e-banking services during Covid-19

Personal factor	Classification	No. of Respondent	Percentage
During covid 19 how frequently do you use e – banking services	Daily	16	10.7%
	Weekly	45	30%
	Monthly	34	22.7%
	Rarely	38	25.3%
	Never	17	11.3%

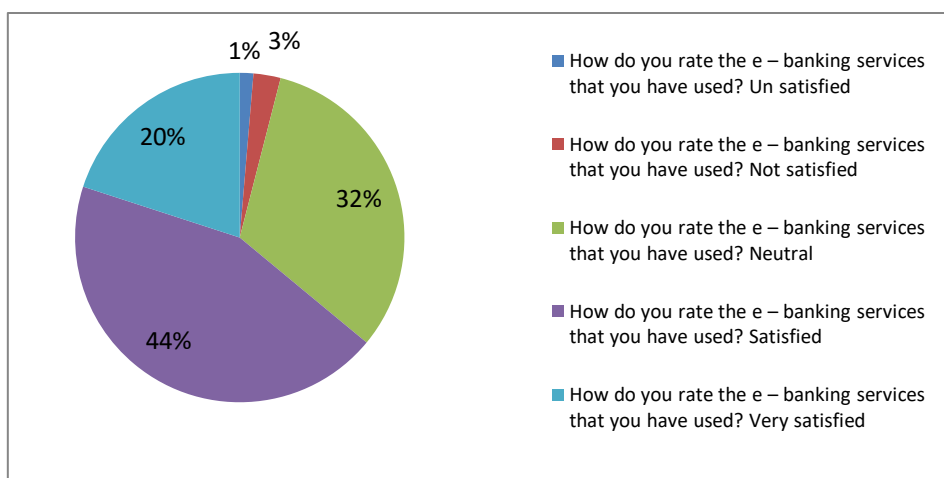


Figure 12

The above table shows the during COVID 19 How frequently do use E Banking Services of the respondents.30 percentages of the respondents are using weekly.22.7 percentages of the respondents are using monthly.25.3 percentages of the respondents are using rarely. 11.3 percentages of the respondents are using never.10.7 percentages of the respondents are using daily.

Mobile banking services through e-services

Personal factor	Classification	No. of Respondent	Percentage
E – banking services allow for a faster usage of mobile payments (ex. provision, recharge, bills etc)	Strongly disagree	6	4%
	Disagree	7	4.7%
	Neutral	52	34.7%
	Agree	60	40%
	Strongly agree	25	16.7%

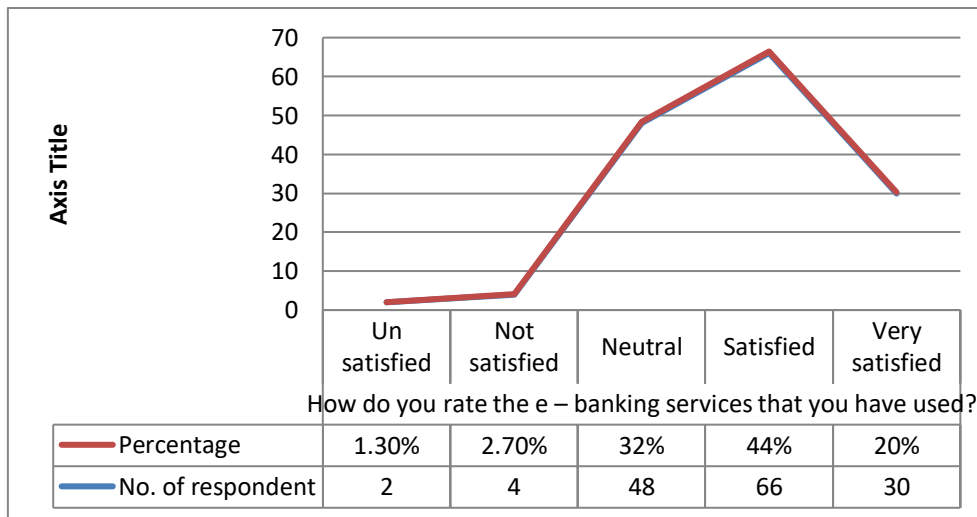


Figure 13

The above table shows the E banking services allow for a faster usage of mobile payments. In that 40 percentages of the respondents are saying agree. In that 34.7 percentages of the respondents are saying strongly disagree. In that 16.7 percentages of the respondents are saying are neutral. In that 4.7 percentages of the respondents are saying disagree. In that 4 percentages of the respondents are saying strongly disagree.

E – banking services are very comfortable to use

Personal factor	Classification	No. Of Respondent	Percentage
E – banking services are very comfortable to use	Strongly disagree	4	2.7%
	Disagree	8	5.3%
	Neutral	33	22%
	Agree	63	42%
	Strongly agree	42	28%

Study on Customer Satisfaction on E-Banking Services

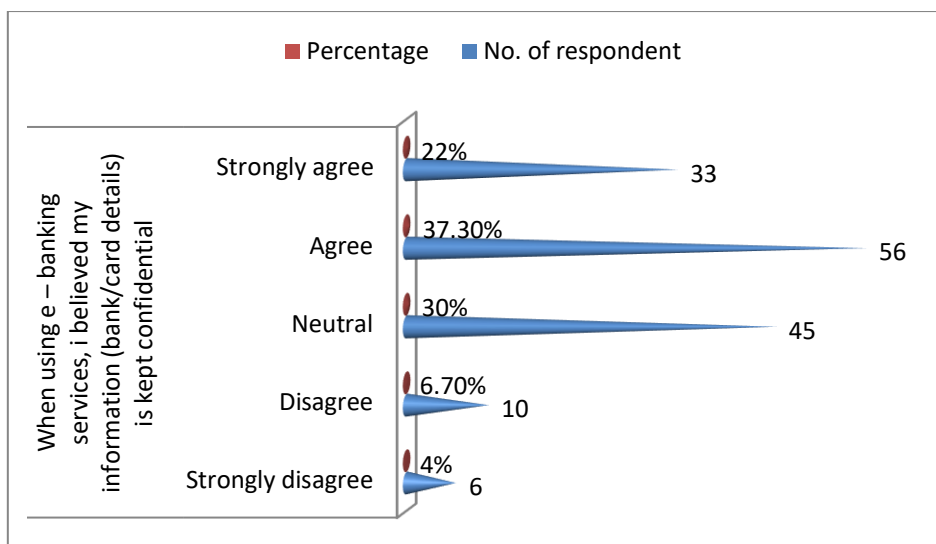


Figure 14

The above table shows the E banking service is very comfort to use. In that 42 percentages of the respondents are saying agree. In that 28 percentages of the respondents are saying strongly disagree. In that 22 percentages of the respondents are saying are neutral. In that 5.3 percentages of the respondents are saying disagree. In that 2.7 percentages of the respondents are saying strongly disagree.

Keeping information with confident

Personal factor	Classification	No. of respondent	Percentage
When using e – banking services, I believed my information (bank/card details) is kept confidential	Strongly disagree	6	4%
	Disagree	10	6.7%
	Neutral	45	30%
	Agree	56	37.3%
	Strongly agree	33	22%

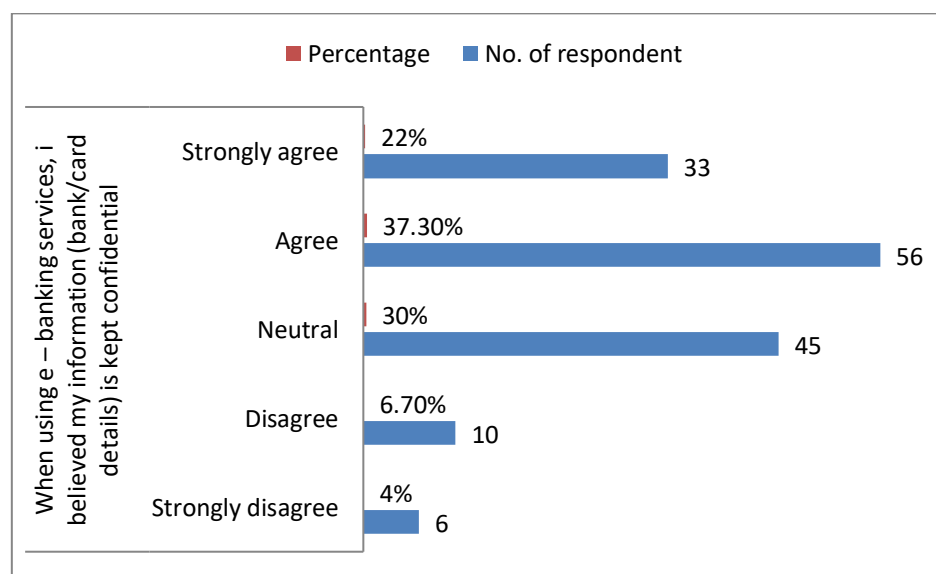


Figure 15

The above table shows the when using E banking service. I believe my information is kept confidential. In that 37.3 percentages of the respondents are saying agree. In that 22 percentages of the respondents are saying strongly disagree. In that 30 percentages of the respondents are saying are neutral. In that 6.7 percentages of the respondents are saying disagree. In that 4 percentages of the respondents are saying strongly disagree.

Charges of e- banking services

Personal factor	Classification	No. of Respondent	Percentage
Charges of e – banking services are high	Yes	31	20.7%
	No	39	26%
	May be	80	53.3%

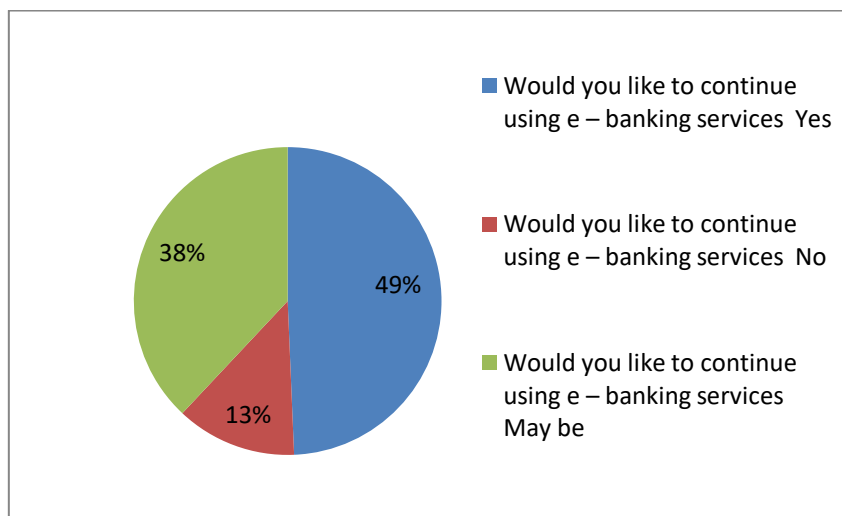


Figure 16

The above table shows the Occupation of the respondents.51.3 percentages of the respondents are in the category of students.18 percentages of the respondents are in the category of house wife.11.3 percentages of the respondents are in the category of business.19.3 percentages of the respondents are in the category of employed.

Online payment is cost burden

Personal factor	Classification	No. of Respondent	Percentage
Using online payment is cost burden	Strongly disagree	13	8.7%
	Disagree	19	12.7%
	Neutral	74	49.3%
	Agree	38	25.3%
	Strongly agree	6	4%

Study on Customer Satisfaction on E-Banking Services

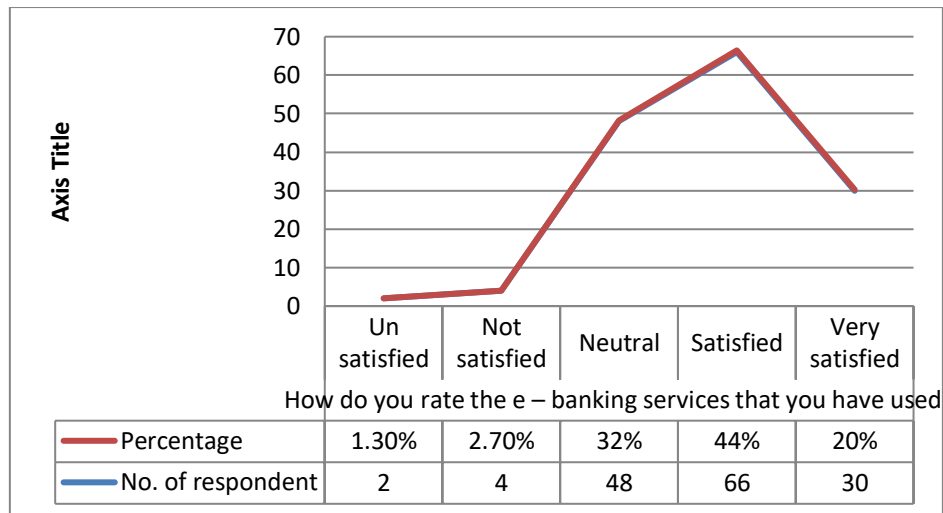


Figure 17

The above table shows the using online payment is cost burden. In that 25.3 percentages of the respondents are saying agree. In that 4 percentages of the respondents are saying strongly disagree. In that 49.3 percentages of the respondents are saying are neutral. In that 12.7 percentages of the respondents are saying disagree. In that 8.7 percentages of the respondents are saying strongly disagree.

Obstacles of e – banking services

Personal factor	Classification	No. of Respondent	Percentage
Do you have any obstacles when use of e – banking services.	Yes	79	20%
	No	102	25.3%
	May be	61	54.7%

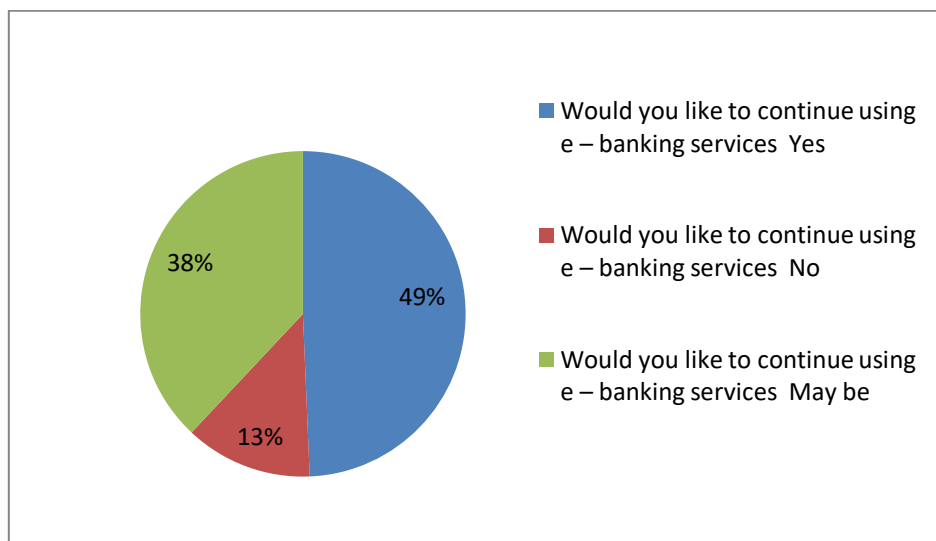


Figure 18

The above table shows the obstacles when use of E banking services of the respondents. 20 percentages of the respondents are in yes.25.3 percentages of the respondents are in no.54.7 percentages of the respondents are may no.

Do you continue e-banking services

Personal factor	Classification	No. of Respondent	Percentage
Would you like to continue using e – banking services	Yes	74	49.3%
	No	19	12.7%
	May be	57	38%

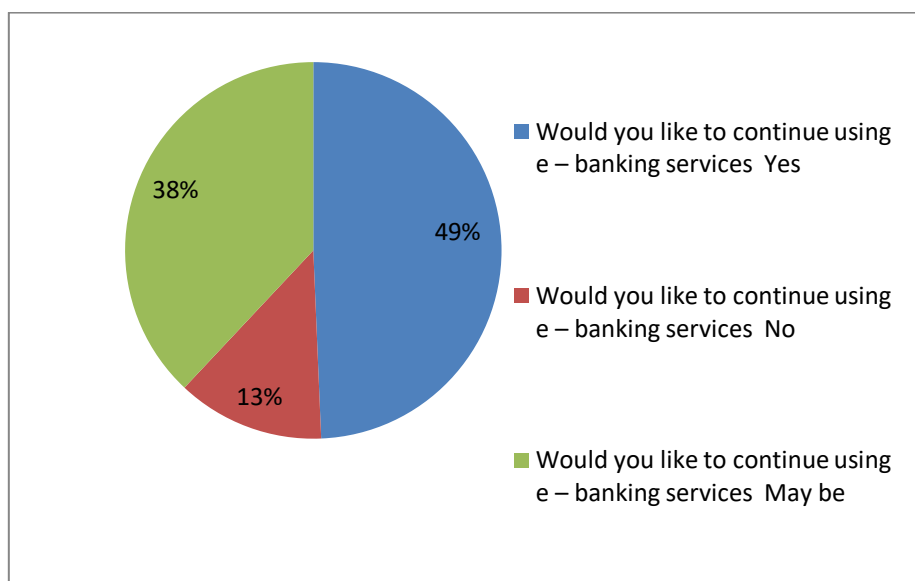


Figure 19

The above table shows the Occupation of the respondents.51.3 percentages of the respondents are in the category of students.18 percentages of the respondents are in the category of house wife.11.3 percentages of the respondents are in the category of business.19.3 percentages of the respondents are in the category of employed.

Rate of e-banking services

Personal factor	Classification	No. of Respondent	Percentage
How do you rate the e – banking services that you have used?	Un satisfied	2	1.3%
	Not satisfied	4	2.7%
	Neutral	48	32%
	Satisfied	66	44%
	Very satisfied	30	20%

Study on Customer Satisfaction on E-Banking Services

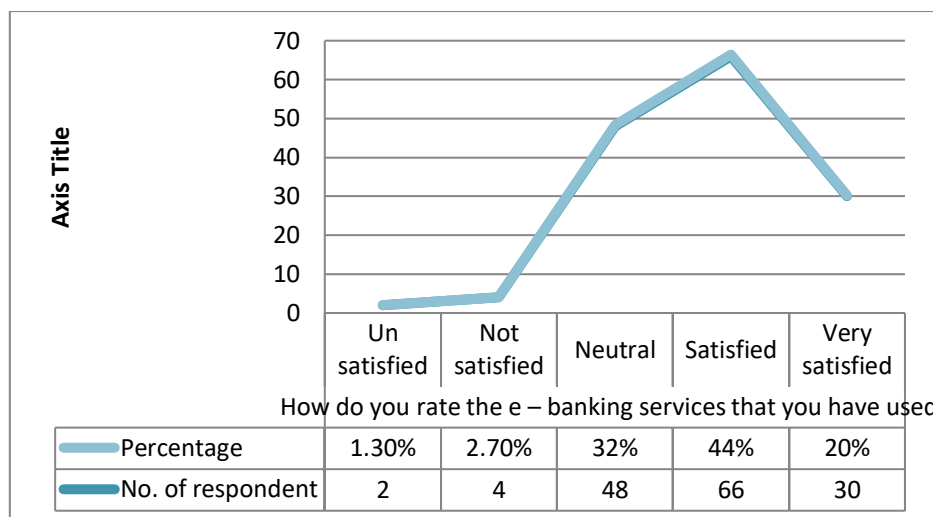


Figure 20

The above table shows the rating from the E banking service user. In that 44 percentages of the respondents are saying satisfied. In that 20 percentages of the respondents are saying very satisfied. In that 32 percentages of the respondents are saying are neutral. In that 2.7 percentages of the respondents are saying not satisfied. In that 1.3 percentages of the respondents are saying unsatisfied.

6. FINDINGS

- The Respondent from the age group is below 25 are using e-banking services.
- Majority respondents from employees are using e-banking services.
- Salaried people are using the e-banking services.
- Most of the respondents are using the ATM and Debit card.
- During the Covid-19 situation is very helpful to the people using e-banking services.
- The awareness of e-banking services among the people in Covid pandemic period is good.

7. SUGGESTION

- Limited e-banking services are used by respondent in the age group of above 25. Due to lack of awareness, so need more awareness of this age group.
- Salaried people getting Rs.15,000 are not using these services properly. If we encourage them, that will be attain the goal of digital India.
- Banks has to give some facilities to the customer those who are all using e-banking services.
- E-banking services can be encouraged to all respondent for smoothly completed their work.
- Government of India encourage the digitalization of all transaction. It can be made through e-banking services and also it is feasible and flexible.

8. CONCLUSION

Electronic Banking technology is useful to customers as well as banks and other organizations. To increase efficiency, service quality of banks, safety and integrity can be used in a rightful

way. Based on the results, there is no significant difference between personal factors like age, profession, annual income and category of the bank chosen and the satisfaction of the customers. The result of the study shows that customers' are using only few facilities from various e-banking services available.

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