

Customers' Satisfaction on E-Banking Services in Indian Banking Sectors

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ABSTRACT

Internet Banking is about using the infrastructure for digital age to create opportunities, both in local & global market. The purpose of this research is to understand the impact of service quality factors of Internet Banking on customer satisfaction in Indore district. Banks play a major role in all the economic and financial activities in modern society E-banking is the application of electronic means in interaction between bankers and customer, and bankers and businesses, as well 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

This paper examines the customer satisfaction on the Electronic Banking Services of Public Sector and Private Sector Banks in Indore district. The sample size of the study is 80 the data is gathered from the primary information. For the purpose of analysis, the customer's satisfaction in both banks has been assessed in seven dimensions based on the suggestions. Reliability, Accessibility, User-friendliness, Privacy/Security, Efficiency, Responsiveness and Fulfilment. ANOVA test were applied to test the hypotheses.

KEYWORDS: Reliability, Accessibility, User-friendliness, Privacy/Security, Efficiency, Responsiveness and Fulfilment

INTRODUCTION

Banks play a very important role in the Indian financial market as they are the biggest purveyors of credit and attract most of the savings from the population. Banking is necessary for the economic development of all the nations of the world because a developed banking system holds the key as well as serves as a barometer for the economic health of a country. Banking Industry is one of the most successful and strong industry of our country

The Indian banking system is regulated by the Central bank namely, the Reserve Bank of India (RBI). Under the control of RBI, there are scheduled and non-scheduled commercial banks which consist of commercial and co-operative banks. Scheduled commercial banks consist of public sector banks namely State Bank of India (SBI) and its associates, nationalized banks and one IDBI Bank Limited.

Private sector banks consist of the old generation and new generation banks. Scheduled co-operative banks consist of urban and state co-operative banks. Non-

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scheduled banks include local area banks. In India, the banking industry has entered several new activities in the areas of merchant banking, leasing housing finance, venture capital and financial services in general. The range of services provided by the banks stretches from rural finance at one end to international banking at the other. The banking scenario worldwide is now undergoing a rapid diversification and technological change and Indian banking is not an exception with the changing policy of the Government of India in the areas of industrial, trade and exchange rate policies. The functions of the bank have changed to cope with the changes.

Now, almost all banks have adopted IT to provide better and affordable services to the users like, ATM facility, net banking, credit and debit cards etc are several easy to use services provided to the users by the banks. These services tend to add on to customer satisfaction which further reduces customer retention. The more such services are provided by the banks, the more is their value among the customers but this

should be kept in mind that the technology based service provided by both private and public banks differ from each other where private banks beat the public sector ones. An attempt has been made to do a comparative study of the satisfaction of the customers of selected from public sector and private sector banks. For the purpose of analysis, the customer's satisfaction in both banks has been assessed in seven dimensions based on the suggestions. The seven dimensions are Reliability, Accessibility, User-friendliness, Privacy/Security, Efficiency, Responsiveness and Fulfilment.

Customers are now conscious of their rights and this tends focus the banks to shift from "product centric" to "customer centric". This expectation creates pressure to service providers to perform better. E-banking service initiatives are results of such pressures by the customers of the bank combined with the capabilities achieved through the use of Information and Communication Technology. E-banking is the application of electronic means in the interaction between bankers and customers and bankers and businesses, as well as in internal banking operations, to simplify and improve banking services. One of the important aspects of e-banking is the use of web portals of the banks as an electronic medium for bank-Customers interactions and transactions. The ultimate goal of any business organization is generation of profits through their sales or rendering services and the same can be achieved with attaining customer satisfaction through the better service quality. A satisfied customer Will continue their relationship with banks and refer the banking services to other as well, generating more sales and hence more profits. Customer satisfaction is considered as a necessary condition for customer retention, loyalty and service continuance intention.

Identification and understanding of the perception of customers towards electronic service quality is essential in determining their satisfaction and ultimately service continuance Intention. It is also important for the bankers for attracting new customers along with retaining existing customers. The level of this customer satisfaction, which is influenced by the electronic-service quality, will play a vital role in determining the continued usage intention towards electronic services of public and private sector banks

REVIEW OF LITERATURE: -

Biju John. M (2017) in his article "Dynamics of Service Quality in the Indian Banking Sector" stated that in this modern era of global competition, factors such as customer expectation and customer satisfaction vitally contributes towards the success of

any industry and the Indian banking industry is not an exception. It is the responsibility of banks to satisfy the customers in order to retain them for their very survival and success. Customer's expectations and customer satisfaction and service quality are highly related. The banks should be able to minimize and eliminate the gap between perceived service quality of customers and the actual service provided.

The present paper evaluates the level of service quality of commercial bank in Kerala. The study also attempted to ascertain the dimensions of service quality in banks. . The present work finds out that tangibility and assurance as the foremost dimensions of service quality with their key influence on the customers. But, both the parameters of responsiveness and empathy show a lower level of satisfaction among the customers. It is suggested to the banking sector that apart from ensuring the trust of customers, it should improve their operations in providing highly advanced technological services to the customers with easy access and instant delivery features. Thus, by providing enhanced quality in the banking services, the banks would be able to create a whole gamut of satisfied customers which would ultimately lead to enhanced efficiency and performance in the banking landscape.

Inder Pal Singh S/o Roop Singh*, Dr. Payal Bassi (2017) Bank plays a very important role in the economic development of a country. A bank is a money related foundation that acknowledges stores and channels those deposits into loaning exercises either straightforwardly or through capital markets. A bank interfaces clients which have capital deficiencies to those clients with capital surpluses. The saving money industry in India is confronting sure difficulties i.e. difficulties of value administration, consumer loyalty, client retention, customer satisfaction, Quality service assumes a noteworthy part in accomplishing consumer loyalty, and creating brand dedication in keeping money division. Now-a-days internet is widely used by various private and public sector banks to provide various banking services to the customers. In this paper a review on the work of various authors has been presented on the study of customer satisfaction with internet banking in public and private sector bank.

Varalakshmi Alapati and Shruthi V Nayak (2015) in their research work with the caption, "A Study on Customer Satisfaction with the ATMs of SBI and ICICI Bank and Role of ATMs for a Greener Environment" explore the significant dimensions of ATM (automatic teller machine) service quality and its effect on customer satisfaction. They have discussed that care for the environment has been a

major consideration among production companies for several decades. Roughly, banks started devoting attention to this matter only halfway into the 1990s. Sustainable development is a development that meets the needs of the present without compromising the ability of future generations to meet their own needs. In banking industry, e-services are modifying the way business is conducted. Electronic based business models are replacing conventional banking systems and almost all banks are rethinking business process designs and customer relationship management strategies. Indian banking scenario has undergone a dramatic changes after the implementation of the new economic policy that triggered out the economy in rapid speed.

Ayana Gemechu Bultum (2014) in his research article with the caption, "Factors Affecting the Adoption of Electronic Banking System in Ethiopian Banking Industry" has identified the factors affecting the adoption of E-banking in the Ethiopian banking industry. The result of the study has indicated that the major barriers which Ethiopian banking industry faces in the adoption of Electronic banking are: security risk, lack of trust, lack of legal and regulatory frame work, lack of ICT infrastructure and absence of competition between local and foreign banks.

Dixit, Neha and S. K. Datta (2010) "Acceptance of E-Banking among Adult Customers: An Empirical Investigation in India", Internet banking is a form of self service technology. The numbers of Internet users have increased dramatically, but most of them are reluctant to provide sensitive personal information to websites because they do not trust e-commerce security. This paper investigates the factors which are affecting the acceptance of e-banking services among adult customers and also indicates level of concern regarding security and privacy issues in Indian context. Also a reason, of not accepting online banking by adult customers is no training or guidance from the bank's side. The result of this study viewed that adult customers are more reluctant to join new technologies or methods that might contain little risk. It is also important to note that some adult customers are interested in online banking; however, they do not possess the necessary computer literacy to conduct it. In addition banks should design the website to concern security and privacy issues.

OBJECTIVE OF THE STUDY:-

1. To study the nature, growth, and extent of e-banking services offered in the Public and Private sectors banks.
2. To study on ombudsman scheme of the banking service.

3. To examine the influencing factors and the customers' adaptability towards modern banking services of Public and Private sectors banks.
4. To analyze the customer's satisfaction on modern banking services of Public and Private sectors banks.
5. To offer suitable suggestions based on the findings of the study.

HYPOTHESIS OF THE STUDY:-

H01: There is no significant difference between demographic variables and customer's influencing factors of Public and Private sectors banks.

H02: There is no significant difference between satisfied and not satisfied statements regarding the opinion of the customers to view the e-banking services.

H03: There is no relationship between education and important reasons for opened an e-banking account of Public and Private sectors banks.

H04: There is no significant difference between demographic variables and money transaction is secure with e-banking of Public and Private sectors banks.

H05: There is no relationship between demographic variable and e-banking guarantees that all services of Public and Private sectors banks.

H06: There is no significant difference between demographic variables and customers become skilled in using e-banking services of Public and Private sectors banks.

H07: There is no relationship between demographic variables and customers not satisfied with traditional banking towards modern banking operations in Public and Private sectors banks.

H08: There is no significant difference between demographic variables and overall satisfaction of the customers towards modern banking operations in Public and Private sectors banks.

RESEARCH METHODOLOGY: -

The study primarily depends on primary data. The multi-stage sampling method is used to collect primary data. Primary data has been collected from the respondents by administering a structured questionnaire and also through observation, consulting and discussions with bank employees.

SAMPLE AND SAMPLE SIZE:- The topic of research being the comparison between public and private sector bank employees, these were further stratified for the same. The genuine esponse that were considered for study stood at total sample size of 80

respondents, of which 38 and 42 were from public and private sector banks respectively. Besides, required data is also collected through interaction with employees and the top managers in both Public and private Sector Banks in Indore district.

STATISTICAL TOOL:-

The data was coded in excel using MS-Office package. The coded data was then analyzed using

ANALYSIS AND INTERPRETATION: -

TABLE NO. 01 ANOVA TEST TO ANALYSE THE AGE AND RELIABILITY FACTOR OF E-BANKING SERVICES

Source	Sum of Squares	Degrees of freedom	Mean of squares	F-value	p-value	Remarks
Between group	1144.88	2	572.44	0.15026	0.861556	Not Significant
Within group	68576.06	18	3809.78			
Total		20				

From the above table shows that **F-ratio** value is **0.15026**. The **P-value** is **0.861556**. The result is accepting the **null hypothesis** at **P>0.05**. Therefore, there is no significant relationship between age and customer's influencing reliability factor of e-banking services in public and private sector banks.

TABLE NO. 02 ANOVA TEST TO ANALYSE THE AGE AND ACCESSIBILITY FACTOR OF E-BANKING SERVICES

Source	Sum of Squares	Degrees of freedom	Mean of squares	F-value	p-value	Remarks
Between group	31315.97	2	15657.98	0.21728	0.806903	Not Significant
Within group	1225064.57	17	72062.62			
Total	1256380.54	19	87720.60			

From the above table shows that **F-ratio** value is **0.21728**. The **P-value** is **0.806903**. The result is accepting the **null hypothesis** at **P>0.05**. Therefore, there is no significant relationship between gender and customer's influencing accessibility factor of e-banking services in public and private sector banks.

TABLE NO. 03 ANOVA TEST TO ANALYSE THE EDUCATIONAL QUALIFICATION AND USER FRIENDLINESS FACTOR OF E-BANKING SERVICES

Source	Sum of Squares	Degrees of freedom	Mean of squares	F-value	p-value	Remarks
Between group	40520.52	2	20260.26	0.2998	0.744407	Not Significant
Within group	1284004.92	19	67579.20			
Total	1324525.44	21	87839.46			

From the above table shows that **F-ratio** value is **0.2998**. The **P-value** is **0.744407**. The result is accepting the **null hypothesis** at **P>0.05**. Therefore, there is no significant relationship between educational qualification and customer's influencing user friendliness factor of e-banking services in public and private sector banks.

TABLE NO. 04 ANOVA TEST TO ANALYSE THE OCCUPATION AND PRIVACY/SECURITY FACTOR OF E-BANKING SERVICES

Source	Sum of Squares	Degrees of freedom	Mean of squares	F-value	p-value	Remarks
Between group	63056.08	2	31528.04	0.45806	0.638683	Not Significant
Within group	1445429.87	21	68829.99			
Total	1508485.95	23	100358.03			

From the above table shows that **F-ratio** value is **0.45806**. The **P-value** is **0.638683**. The results is accepting the **null hypothesis** at **P>0.05**. Therefore, there is no significant relationship between occupation and customer's influencing privacy/security factor of e-banking services in public and private sector banks.

TABLE NO. 05 ANOVA TEST TO ANALYSE THE MONTHLY INCOME AND EFFICIENCY FACTOR OF E-BANKING SERVICES

Source	Sum of Squares	Degrees of freedom	Mean of squares	F-value	p-value	Remarks
Between group	42421.40	2	21210.70	0.33903	0.716118	Not Significant
Within group	1376384.59	22	62562.93			
Total	1418805.99	24	83773.63			

From the above table shows that **F-ratio** value is **0.33903**. The P-value is **0.716118**. The results is accepting the **null hypothesis** at **P>0.05**. Therefore, there is no significant relationship between monthly income and customer's influencing efficiency factor of e-banking services in public and private sector banks.

TABLE No.06 ANOVA TEST TO ANALYSE THE MARITAL STATUS AND RESPONSIVENESS FACTOR OF E-BANKING SERVICES

Source	Sum of Squares	Degrees of freedom	Mean of squares	F-value	p-value	Remarks
Between group	8127.94	2	4063.97	9.441	0.001296	Significant
Within group	8608.92	20	430.44			
Total	16736.86	22	4494.41			

From the above table shows that F-ratio value is **9.441**. The P-value is **0.001296**. The results is not accepting the **null hypothesis** at **P<0.05**. Therefore, there is significant relationship between marital status and customer's influencing responsiveness factor of e-banking services in public and private sector banks.

TABLE No.07 ANOVA TEST TO ANALYSE THE LOCATION AND FULLFILLMENT FACTOR OF E-BANKING SERVICES

Source	Sum of Squares	Degrees of freedom	Mean of squares	F-value	p-value	Remarks
Between group	119372.60	2	59686.30	0.51627	0.603798	Not Significant
Within group	2543459.63	22	115611.80			
Total	2662832.24	24	175298.10			

From the above table shows that **F-ratio** value is **0.51627**. The **P-value** is **0.603798**. The results is accepting the **null hypothesis** at **P>0.05**. Therefore, there is no significant relationship between location and customer's influencing fulfilment factor of e-banking services in public and private sector banks.

FINDINGS: -

- Majority of the respondents are maintaining their bank account for 2.3years as they realize its significance.
- Majority of the respondents frequently visit your bank a few times a month.
- Majority of the respondents visited the bank branch to deposit money.
- Majority of respondents are preferred to maintain their account in Indian Overseas Bank.
- Majority of the respondents prefer savings bank account than other accounts as it is compulsory for availing any loan, recurring deposit or direct cash transfer.
- Majority of the respondents are agreeing their bank levy for breaching minimum balance.
- Majority of the respondents are not yet aware about banking ombudsman scheme.
- Majority of the respondents are not yet reports any complaints relating to their products and services.
- Majority of the respondents have greater controls over my finance with internet banking services.
- Majority of the respondents have managed my finance more efficiently with internet banking services.
- Majority of the respondents have compatible with my life style by using internet banking services.
- Majority of the respondents have banking transactions fit into my working style by using internet banking services.
- Majority of the respondents are had e-banking do not require a lot of mental by using internet banking services.

14. It is found that the perceptions of customers towards, majority of respondents are satisfied based on service offered views about e-banking services.
15. It is found that the perceptions of customers towards, majority of respondents are not satisfied based on page setup/Menu flow views about e banking services.
16. It is found that the perceptions of customers towards, majority of respondents are satisfied based on service offered views about e-banking services.
17. It is found that the perceptions of customers towards, majority of respondents are satisfied based on speed of page loading views about e-banking services.
18. It is found that the perceptions of customers towards, majority of respondents are not satisfied based on content and sufficiency views about e- banking services.
19. It is found that the perceptions of customers towards, majority of respondents are satisfied based variety of transactions views about e-banking services.
20. It is found that the perceptions of customers towards, majority of respondents are not satisfied based on visual design views about e-banking services.
21. It is found that the perceptions of customers towards, majority of respondents are satisfied based on general assessment views about e-banking services.

CONCLUSION:-

In the past few years, the Indian banking sector has fully reworked. The banks face many challenges and lots of opportunities are accessible with the banks. Many monetary innovations like ATMs, credit cards, RTGS, debit cards, mobile banking etc. have completely Changed the face of Indian banking. But still there is a need to have more innovative solutions so that the challenges can be solved and opportunities can be availed efficiently by the Indian banks. BY the study conducted on “Customer’s expertise with E-banking” we will conclude that altogether respects the purchasers are happy with their net bank. Major concerns of customer include security and privacy because of growing member of online frauds, cheating cases and hacking. Banks ought to maintain secrecy and confidentiality of customer’s account and take adequate risk management measures against hacking and technology failures. Banks should use latest versions software or upgrade existing software

which gives better security & control to remove bugs and loopholes.

SCOPE OF FUTURE STUDY:-

1. A study on need of E-banking for next generation.
2. A study on Role of E-banking in cost reduction and Cost control.
3. A study on impact of information technology act in safeguarding the customers using e-banking services.
4. A study on mobile banking adoption of opportunities and challenges.

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