

A STUDY ON CUSTOMERS' SATISFACTION OF E - BANKING SERVICES IN SURAT DISTRICT

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ABSTRACT

The transformation of personal banking, from branch to present day virtual banking, changed the way of banking and now within reach of the last customer with technology adoption in a big way. The internet banking services offer services according to the customer needs and requirements. The services offered by banks are one and same, and service quality elements and their performance makes the difference between any two banks. The customer satisfaction is important criteria for banks customers, the main objective of this study to examine customer's satisfaction of E- banking services in Surat district. This study analyzed 300-customers opinion on E - banking services in Surat District. Structured questionnaire Use for Data Collection. Data Analysis and Interpretation is through percentage. a resulted Reliability, Privacy & Security, Empathy, Information Quality, Access, Easy to Use are top factors affected customer satisfaction. The customer characteristics gender, age, education, and income levels influence the customer satisfaction.

KEYWORDS: Information Technology, E - Banking Services, Customer's Satisfaction, Service Quality.

Introduction

E-banking is of fairly recent origin in India. Traditional model for banking was branch based. Branchless banking services started in early 1990 with the entry of foreign banks, when Indian government opened up the Indian economy for foreign investments. In general parlance E-banking is a term used for delivery of banking services and products through electronic channels, such as the telephone, the internet, the cell phone, etc. The peculiar feature of Indian banking sector is that it has a major chunk of population who earn, save and invest and yet do not use banking services. Another segment continues to bank with physical branches and yet another sector who are the tech savvy, whose expectations are high, becoming familiar with e-banking services like ATMs, Electronic Fund Transfer, Debit Cards, Credit Cards, payment of utility bills, mobile recharge, viewing account balances etc. The concept of customer satisfaction becomes very crucial for the success of the banks in this era of cut throat competition. E-banking is a result of the growing effect of technology on the working of banks which meets the expectations of customers of the bank in terms of service. E-banking uses information technology extensively in functioning of the banks. The banking services are delivered directly to the customers through automated systems. This system provides direct interface to the banker with the customers under the concepts of branchless banking, or anywhere anytime banking.

E – Banking Services and Customer Satisfaction

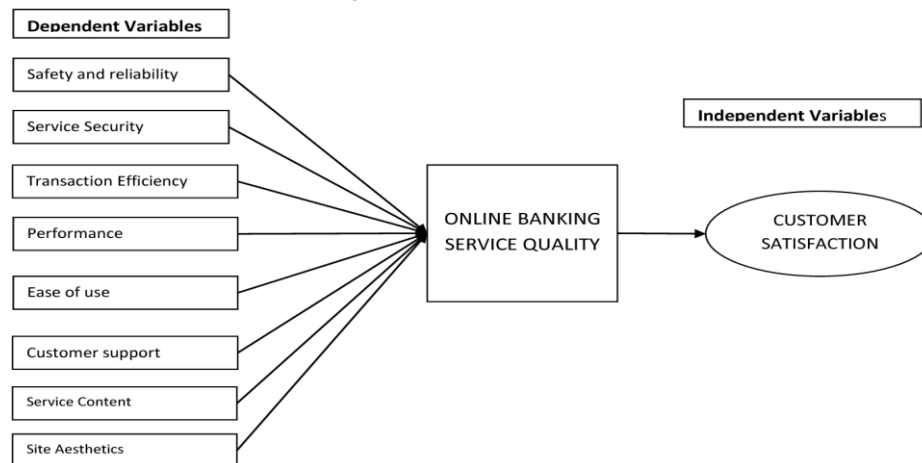
- **E – Banking Services:** E-Banking can be defined as provision of banking products and services through electronic platform (Nitsure, 2003). In broad term, E-banking refers to applying a wide range of technologies to deliver banking products and services. Examples of these technologies include Core banking Solution, Internet, electronic payment systems, mobile phones, ATMs and self-service kiosks.

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- Customer Satisfaction:** Customers are very valuable stake holders of any business. Truly speaking the business activities revolves around the customer and their requirements. Customer's satisfaction is a term which possesses immense significance for the success of the business. In another sense customers are considered as unpaid business developers. Customers can be classified as satisfied customers, neutral customers and dissatisfied customers. A satisfied customer and dissatisfied customer both need to be analyzed by the business houses. Business entities should have their own mechanism have feedback which collects the information from the markets. It is well known fact that markets comprises of competitors and customers. A sort of triangular dynamics would be prevailing in the market places. Customer not only generates revenue for the business entity but also proves to be instrumental in improving business, by compelling them for introducing product improvisations.

Customer Satisfaction and E – Banking Services



Role of E – Banking in Customer Satisfaction

Development of internet and its increasing role in implementation of e banking, as a cutting edge technology for improving the competitiveness of the banks, has removed the locus power from the service provider; that is the banker to the customer. It has breached the conventional barriers like geographical, industrial and regulatory. Ultimately the banks perceived that the major challenge in e banking implementation; evolving customer related electronic commerce was information privacy and its security. Changing consumer needs in the changed environment of globalization, deregulation, and disintermediation has given rise to the emergence of new financial service models in the financial services industry. Predominant Internet is also having its impact on its functioning. (Jannatul Mawa Nupur, 2010). The prospect of e banking depends on customer, their specific understanding, on customers' perceived requirements. The success of banks depends on meeting consumer demands and expectations, which is a real challenge for the banking sector. With the emergence of Internet and the e economy, the customer is in total control of the situation and with much ease they can move to the competitor's site. In the emerging competitive environment and information technology era, with little or no distinction in the products and service offerings, it is the speed with which the service is rendered, that sets apart one bank from another. Prompt service is what matters which will be equated with quality service. The quality and reputation of the bank would be dependent on the time factor to a major extent.

Review of Literature

K.V. Giridhar and V.D. Krupa (2013) in their research paper "A study on customer satisfaction towards services provided through ATMs in Malnad rural regions of Shimoga District with special reference to SBM", have collected primary data of customers from only one PSB i.e. State bank of Mysore in Tirthalli Taluka of Shimoga District. Though this study is based on collection of primary data, it does not consider the perceptions of bank staff. The study does not focus on different types of problems faced by customers while using ATMs. The study concludes that "Despite the drawbacks in ATMs, it is still preferred as it benefits bank, employees and customers". This study considers only one PSB bank but has not considered private sector banks, co- operative banks.

R. Renuka and Mr. A. Paulraj(2014) in the study "Customers satisfaction towards ATM" focuses on customer satisfaction towards ATM services offered by the banks and tries to suggest ways to improve services. Amongst other suggestions, the authors have suggested increasing awareness about various facilities and enhancing the withdrawal limit of cash per day. 24 hours access got the first rank, while quality of receipt got the second rank for level of satisfaction. To find out the level of satisfaction respondents were provided a list of fourteen factors which were to be ranked. Likert scale was used for the purpose. The study considers only customer perceptions towards ATMs. However, staff perceptions have not been considered.

Mr. D.N.V. Krishna Reddy and Dr. M.Sudhir Reddy (2015) measure the quality of services offered by Public and private sector banks operating in Telangana region. They indicate that banking system is facing challenges with stiff competition and advancement of technology. It becomes imperative for service providers to meet or exceed the expectations of the target customers' for satisfying them with quality of services. The study shows that the customers of nationalized banks were not satisfied with the employee behavior and infrastructure, while respondents of 33 private sector banks were not satisfied with high charges, accessibility and communication.

Dr. V.Surekha, S.Anitha and S.Kaleeswari (2015) speak about the present scenario banking sector of India is running in a dynamic challenge concerning both customer base and performance. Service quality is an indispensable competitive strategy to retain customer base. Service quality plays a major role in getting customer satisfaction. Banks are trying hard to win customer satisfaction by providing better quality services. This study compares customers' perceptions of service quality of both public and private banks of India. The service quality of both the banks has been measured using SERVQUAL (service quality) scale.

Karthikeyan P. (2016) this study uses descriptive research design and the objective of the study is to make the comparison of banks on the basis adoption of technology in banking services and to examine the factor affecting the customers adoption of technology in banking services in Coimbatore city and also study the customer level satisfaction of two selected banks. The primary data is collected from 200 respondents, 100 each from HDFC and ICICI bank through questionnaire and personal interview by using convenience sampling method and secondary data is collected from research papers, journals, articles, internet etc. The data is analyzed by using statistical tools such as mean, one way ANOVA, rank analysis, t test and f test and percentage analysis.

Kumar S. (2018) this research based on secondary data. In this article taking about current status of e - banking in India. The article secondary and primary data based. a couple of raw numbers connected with web/electronic banking to introduce its ongoing situation. Table 1 shows proof for ATM, POS (Retail location) and electronic cards (credit and check cards) conveyed and gave by the timetable business banks (SCBs) in India as on December 2014. It likewise gives proof of developing measurements of portable financial clients in India. As per it presently 1,76,410 ATM, 10,58,642 Retail location gadgets, 20.36 million MasterCard's and 500 million check cards are working in India and 35.5 million bank clients are utilizing portable banking. Table additionally shows development pace of these financial channels and it is by all accounts perfect in Indian setting. Table no. 2 shows current exchange measurements performed through these financial conveyance channels. However high as 6090. 98 million exchanges seem to be electronically finished through ATMs.

Objectives of the Study

- To study various services of E-Banking services.
- Evaluation of service quality and customer satisfaction of E banking services

Significance of the Study

Understanding of customer satisfaction in new era of banking is very much significant and having fairly good idea about the factors that influence the customer satisfaction is still more important in furtherance of the business. Therefore, the locus point of the study is customer satisfaction in the backdrop of e-banking services over various e-delivery channels. And further the comparative study of customer satisfaction in two different banks, one in public sector bank and another private sector bank will highlight the importance customer satisfaction, customer loyalty, retaining the customers and maximising the market share, all of which are marketing strategies of the banks.

Research Methodology

The study is designed as an Exploratory Research is the research conducted to know the nature of problem and does not intend to provide a conclusion but a better idea.

Population and Sampling

Population	Bank Customers of Surat district
Sample size	300 customers
Sampling method	Convenience sampling method

Data Collection Tools

Primary data	Questionnaire
Secondary data	Newspaper, magazine, Thesis, Books, journals, websites.

Data Analysis Technique

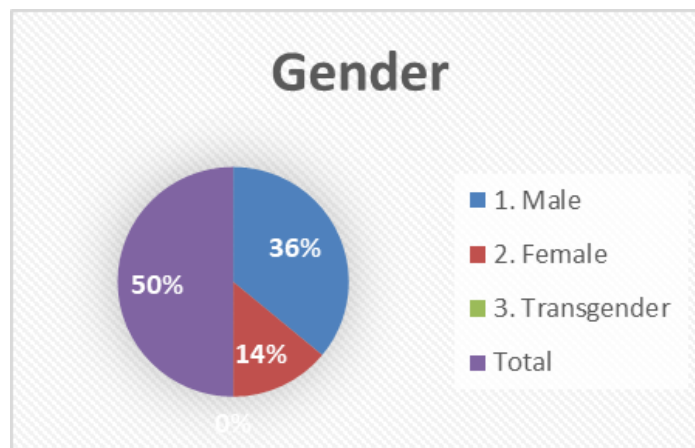
The Analysis data and Interpretation was through percentage and data presentation by chart, table.

Data Analysis and Interpretation

Analysis of the data is a process of transforming and presenting data with the objective of highlighting useful information, suggesting conclusions, and support to take best decisions. Analysis and Evaluation of data can be done by various analytical techniques to examine various parameters which were done through collected data. The researcher attempted to analyze the data to understand the customer's satisfaction on E- Banking services.

Gender

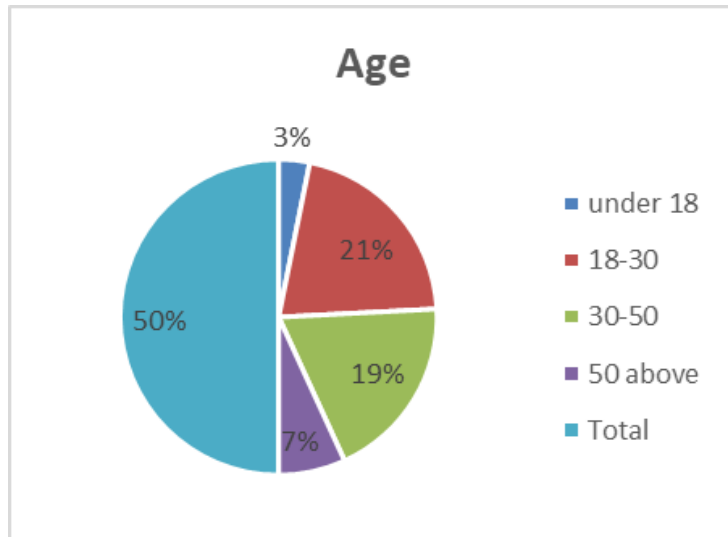
Gender	Frequency	Percentage
1. Male	216	72%
2. Female	84	28%
3. Transgender	00	00%
Total	300	



The above results shows that there are 216 (72 %) males and 84(28 %) females out of 300 Customers.

Age

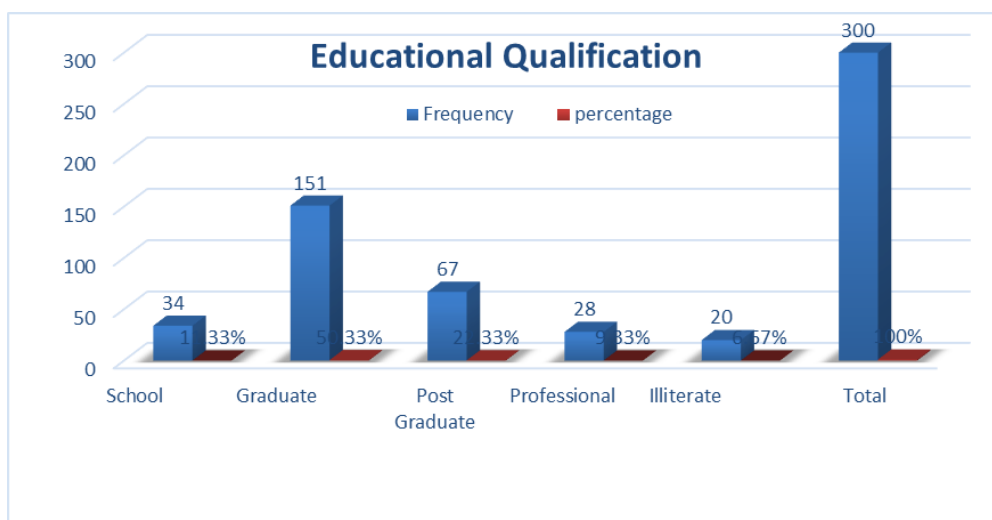
Age	Frequency	Percentage
under 18	19	6.33 %
18-30	126	42 %
30-50	114	38 %
50 above	41	13.67 %
Total	300	100 %



From above results shows that respondents 6.33 % are under 18 years, 42 % respondents are between 18-30 years, 38 % respondents are between 30-50 years, and 13.67 % respondents are Above 50 years.

Educational Qualification

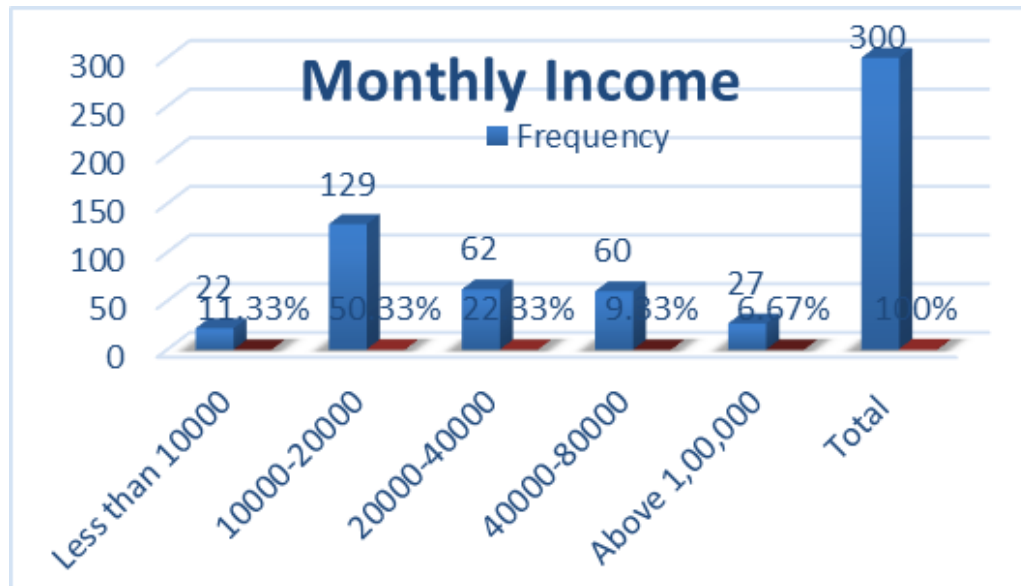
Educational Qualification	Frequency	Percentage
School	34	11.33%
Graduate	151	50.33%
Post Graduate	67	22.33%
Professional	28	9.33%
Illiterate	20	6.67%
Total	300	100%



The above results shows that 11.33 % customers are have to School, 50.33% customers are Graduate, 22.33% customers are Post Graduate, and 9.33% customer are Professional, Illiterate customer are 6.67%.

Monthly Income

Income	Frequency	Percentage
Less than 10000	22	7.33%
10000-20000	36	12 %
20000-40000	62	20.67 %
40000-80000	120	40 %
Above 1,00,000	60	20 %
Total	300	100 %

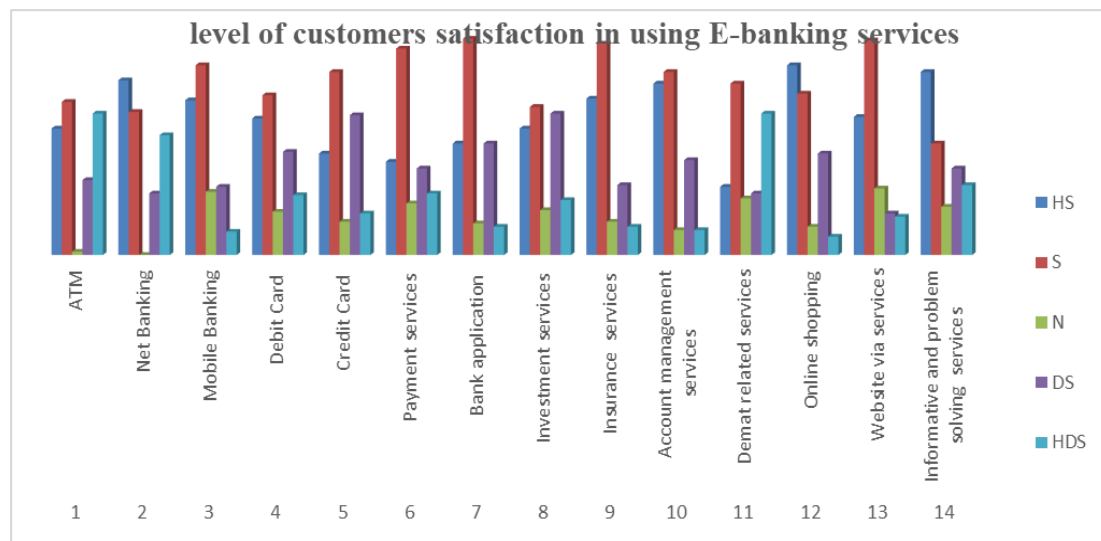


The above results show that 7.33% customers have monthly income less than 10,000, 12% customers are have monthly income 10,000-20,000, 20.67% customers are have monthly income 20000-40000, 40 % Customers are have monthly income 40000-80000, 20 % Customers are have monthly income above 100,000.

- **Customers Satisfaction of E-Banking Services**

- State your level of customer's satisfaction in using E-banking services.

Sr.No.	E-Banking Services	HS	S	N	DS	HDS
1.	ATM	76	92	02	45	85
2.	Net Banking	105	86	0	37	72
3.	Mobile Banking	93	114	38	41	14
4.	Debit Card	82	96	26	62	36
5.	Credit Card	61	110	20	84	25
6.	Payment services	56	124	31	52	37
7.	Bank application	67	130	19	67	17
8.	Investment services	76	89	27	85	33
9.	Insurance services	94	127	20	42	17
10.	Account management services	103	110	15	57	15
11.	Demat related services	41	103	34	37	85
12.	Online shopping	114	97	17	61	11
13.	Website via services	83	129	40	25	23
14.	Informative and problem solving services	110	67	29	52	42
Percentage		1161 27.64 %	1474 35.09 %	318 7.57 %	747 17.78 %	500 11.90 %



The above results show that **27.64 %** customers are rating highly satisfied of in E-banking service. **35.09 %** customer are rating satisfied, **7.57 %** customers are rating neutral. **17.78 %** customers are rating dissatisfied and only **11.90 %** customers are rating highly dissatisfied of internet banking service. So most of the customers are satisfied with the internet banking service.

- **E - Banking Service Quality**

- Your satisfaction level of E - Banking – mark your option with √ mark with respect to the Following statements.

Sr. No.	Reasons	HS	S	N	DS	HDS
Reliability						
1.	Proper functioning of the Bank's Website and ATM Machine.	106	81	12	76	25
2.	Service delivery at the promised time	148	67	17	38	30
3.	Accuracy of transaction records	167	81	9	25	18
4.	Number of services offering	151	46	21	38	44
	Percentage	572	250	59	177	107
		47.67%	20.83%	4.92%	14.75%	8.92%
Privacy & Security						
5.	Privacy of the customer personal/ account information	173	47	5	39	36
6.	Security for financial transactions	150	61	10	61	18
7.	Security settings of the bank	142	72	14	49	23
	Percentage	465	180	29	149	77
		51.67%	20%	3.22%	16.55%	8.55%
Empathy						
8.	Customer Awareness programmers	81	106	25	37	51
9.	Terms and conditions of E banking	86	75	53	46	40
10.	Guidance demo on the site	155	31	29	51	34
11.	Customer relationship management	102	83	47	32	36
	Percentage	424	295	154	166	161
		35.33%	24.58%	12.83%	13.83%	13.42%
Information Quality						
12.	Accuracy of product/service information	92	89	15	76	28
13.	Accuracy of policy of statements in the bank's site	128	37	22	61	52
14.	Accuracy of account statements in the website	76	91	40	43	50
	Percentage	296	217	77	180	130
		32.89%	24.11%	8.55%	20%	14.44%

Access						
15.	Access to Bank's website	86	103	17	64	30
16.	Access to desired service in the bank's website.	75	99	32	76	18
17.	Access to notices and policy statements in the bank's website	81	118	19	33	49
	Percentage	242 26.89%	320 35.55%	68 7.55%	173 19.22%	97 10.78%
Ease of Use						
18.	Availability of desired language	64	89	58	67	22
19.	Ease in accessing understanding required information	75	61	45	38	81
20.	Ease to search for what is needed (search engine)	88	103	31	61	17
	Percentage	227 25.22%	253 28.11%	134 14.89%	166 18.44 %	120 13.33%

(HS – Highly Satisfied 2. S – Satisfied 3. N – Neutral 4. DS – Dissatisfied 5. HDS – Highly Dissatisfied)

Interpretation

- **Reliability:** The above results show that 47.67% customers are rating highly satisfied of in Reliability E-banking service. 20.83% customer are rating satisfied, 4.92% customers are rating neutral. 59 % customers are rating dissatisfied and only 8.92% customers are rating highly dissatisfied of internet banking service. So, most of the customers are satisfied with the internet banking service.
- **Privacy & Security:** The above results show that 51.67% customers are rating highly satisfied of in Privacy & Security of E-banking service. 20% customer are rating satisfied, 3.22% customers are rating neutral. 16.55 % customers are rating dissatisfied and only 8.55% customers are rating highly dissatisfied of internet banking service. So most of the customers are satisfied with the internet banking service.
- **Empathy:** The above results show that 35.33% customers are rating highly satisfied of in Empathy of E-banking service. 24.58% customer are rating satisfied, 12.83% customers are rating neutral. 13.83% customers are rating dissatisfied and only 13.42% customers are rating highly dissatisfied of internet banking service. So, most of the customers are satisfied with the internet banking service.
- **Information Quality:** The above results show that 32.89% customers are rating highly satisfied of in E-banking service. 24.11% customer are rating satisfied, 8.55% customers are rating neutral. 20% customers are rating dissatisfied and only 14.44% customers are rating highly dissatisfied of internet banking service. So, most of the customers are satisfied with the internet banking service.
- **Access:** The above results show that 27.89% customers are rating highly satisfied of in Information Quality of E-banking service. 35.55% customer are rating satisfied, 7.55% customers are rating neutral. 19.22 % customers are rating dissatisfied and only 10.78% customers are rating highly dissatisfied of internet banking service. So most of the customers are satisfied with the internet banking service.
- **Ease of Use:** The above results show that 25.22% customers are rating highly satisfied of in Ease of Use of E-banking service. 28.11% customer are rating satisfied, 14.89% customers are rating neutral. 18.44 % customers are rating dissatisfied and only 13.33% customers are rating highly dissatisfied of internet banking service. So, most of the customers are satisfied with the internet banking service.

Findings of the Study

- 72 percent of the sample respondents are male and the remaining 28 percent are female. It indicates that the majority of the customer using banking services and visiting banks are male when compared to women in the sample area. It indicates that the level of knowledge on banking services and technology banking services association is more among the male, when compared to female in the sample.

- The majority of the customers in the sample survey using e-Banking services offered by the banks are belongs to 18-30 years age, and it is followed by 30-50 years age group. It indicates the role of age in adopting and availing e-Banking services offered by the banks.
- The majority of the respondents in the sample using technical services offered by banks are under graduates and it is followed by post graduates.
- 40 percent of the sample respondents are belongs to the less than Rs.40000 - 80000 monthly. It indicates the usage of banking services in increasing in the recent past by the middle income group. It indicates a positive sign in the organized sector growth and development in the country.
- 27.64 percent customers are rating highly satisfied of in E-banking service. 35.09 percent customer are rating satisfied, 7.57 percent customers are rating neutral. 17.78 percent customers are rating dissatisfied and only 11.90 percent customers are rating highly dissatisfied of internet banking service.
- Major customer's satisfy to e banking services factor of Reliability, Privacy & Security, and Information Quality Access Ease of Use.

Conclusion

Banks face a serious challenge. The basic structure of the bank is increasingly in conflict Technology with the changing product, delivery, and service needs of the customers the future belongs to financial service provider's not traditional banks. The vast majority of large banks will create value networks. Doing so presents tremendous challenges. Banks will have to first develop a comprehensive distribution system that will enable customers to touch them at multiple points. Banks must also create performance measurement systems to assure the mix products and services they offer are beneficial to both the customer and the bank. They must determine whether to deploy new technologies themselves or with other service providers. Nevertheless, technology alone will not solve issues or create advantages. This technology needs to be integrated in an organization, with the change management issues linked to people resisting new concepts and ideas. It also needs to support a clearly defined and well communicated business strategy.

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