

## CUSTOMER SATISFACTION IN E-BANKING: AN OVERVIEW

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### ABSTRACT

*E-banking comprises of internet banking, automated teller machines, Smart Cards, mobile banking etc. Customers can avail e-banking from their homes. It reduces transaction cost and saves time. Customer satisfaction depends on various aspects such as reliability, security, accessibility etc. Many customers are not aware about e-banking facilities. Most of the customers are not interested in e-banking due to lack of security. In this paper, an attempt has been made to analyse various aspects of customer satisfaction in e-banking.*

**KEYWORDS:** Bank, e-Banking, Customer, Customer Satisfaction.

### Introduction

Banking system is the backbone of the economy of a country. Information technology is an essential tool for banking sector in India. E-banking provides banking services to customers through electronic communication channels. E-banking comprises of internet banking, automated teller machines, mobile banking, smart cards, electronic fund transfer system, telebanking, real time gross settlement systems etc. Customer satisfaction is an important aspect behind the success or failure of e-banking. Customer satisfaction depends on several aspects such as reliability, efficiency, accurate information, web portal management etc. Banks have to adopt advanced technologies to increase customer satisfaction.

### Literature Review

**Jain, Megha and Tiwari, Rashmi and Jain, Namrata (2011)** studied that liberalization has affected the activities of Indian banking sector. The operations in banking system need immediate automation to provide better services to the customers. Information technology has affected the operations of banking sector. Customers can access the banking services very easily with the help of internet banking. The success of Indian banks depends on the development of the technology.

**Kashyap, Monika and Sharma, Dinesh Kumar (2012)** observed that internet technology can change the activities of banks. Internet banking helps in reduction of cost. It replaces paper based and labour intensive methods with electronic system. Internet banking suffers from many difficulties such as, transaction risk, reliability risk etc. Banks need to equip themselves with modern technology so that they can provide proper e-banking facilities to the customers.

**Bhose, Minakshi Dattaray and Nalawade, K.M. (2012)** observed that e-banking is the process of banking through electronic channels. Customers can avail the facilities of e-banking from anywhere, anytime. The development of e-banking in India is in promising stages with a large number of potential customers. Banks need to understand the needs of customers. Banks should adopt proper technological support to compete in the highly competitive market conditions.

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**Lal, Roshan and Saluja, Rajni (2012)** studied that information technology is a necessary tool in banking sector. Banks operate in a highly competitive environment. Information technology is playing a significant role in the improvement of banking services. E-banking includes electronic payment methods, automated teller machines etc. Progress in electronic banking depends on modern technology.

**Singh, Perna and Kumar, Deepak (2014)** observed that internet banking changed the concept of banking. Banks are using new technologies to improve the quality of banking services. Customers can avail the banking facilities from home with the help of internet banking. Online banking is a system to help the customers in daily banking transactions without visiting the bank branch.

**Muhammad Juman, B.K. and Christopher, J. (2015)** observed that the growth of e-banking is in the early stages in India. Technological changes have changed the methods of banking in India. E-banking is a process of banking through electronic channels. E-banking provides faster delivery of banking services to a large number of customers.

**Santhiya Ran, T and Saravanan, A. (2018)** studied that customer education is very essential to increase the customer satisfaction in net banking. Banks should take necessary steps to educate the customers. The success or failure of electronic banking depends on customer satisfaction. Online banking helps the customers to access banking services without visiting the bank branch.

**Sunith, C.K. (2019)** observed that e-banking is the electronic mode of delivery of banking services to the customers. E-banking helps customers to access banking facilities through internet. It includes telephonic banking, internet banking, mobile phone banking etc. Banks should adopt advanced technologies to increase customer satisfaction.

**Prasad, Arcot Purna and Rao, V. Chandra Sekhar and Kumar, Gadda Vijaya (2019)** observed that customer satisfaction is very important for the success of e-banking. Virtual banking helps the customers to avail the banking services very easily through internet. E-banking provides high quality services to the customers and thus helps to increase customer satisfaction.

### **E-Banking in India**

The acceptability of e-banking is increasing in India in recent years. It provides banking services to customers with the help of modern technology.

Indian banks provide several e-banking services such as:

- Internet banking
- Tele Banking
- Automated Teller Machines
- Mobile Banking
- Electronic fund transfer
- Smart Cards
- Electronic clearing services
- Real time gross settlement

The importance of e-banking are as follows:

- E-banking helps to reduce transaction cost.
- Customers can avail the banking services from homes and offices.
- Customers can save time and money because they do not have to visit bank branch.
- Banks can provide efficient and quality service to the customers.
- It helps to reduce paper work.
- It helps to reduce error in banking transaction.
- It helps to reduce geographical barriers.

### **Challenges of E-Banking**

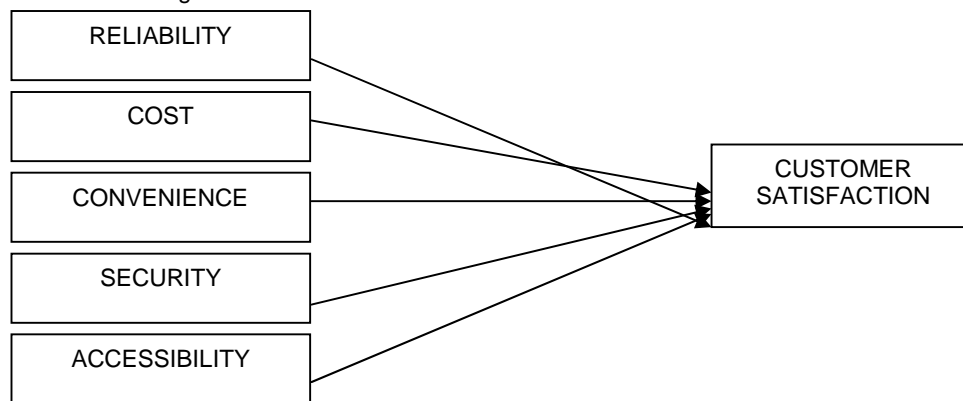
The success or failure of e-banking depends on customer satisfaction. E-banking in India suffers from many difficulties such as:

- Most of the customers are not aware about e-banking facilities.
- Customers refuse to avail e-banking services due to lack of security.
- Initial establishment cost of e-banking is very high.

- Lack of professionalism on behalf of the Banks.
- Banks are not able to spread e-banking facilities among customers.
- Customers cannot avail e-banking facilities due to poor internet services.
- Banks suffer due to improper infrastructure.
- Banks are not able to adopt modern technology.
- Many customers are not able to avail internet services due to lack of knowledge.

### Customer Satisfaction

Many customers are not interested in e-banking because of security threat. Most of the customers believe that internet banking is not safe and they prefer traditional banking. Banks should adopt modern technology to protect the customers. The Reserve Bank of India Act, 1934, provides the rules regarding central banking functions. The Banking Regulation Act, 1949, provides the regulations regarding business of banking companies. Many customers are not aware about the facilities of e-banking. Banks are not able to spread awareness among customers in rural areas. Lack of awareness regarding modern technologies is a major problem in the development of e-banking. Consumers have a notion that online banking is risky and due to this reason they prefer conventional banking. The customers in rural areas face the problem of poor internet services which compel them to avail traditional banking instead of online banking. Lack of professionalism on behalf of the banks create difficulties for the customers. The start up cost for e-banking is very high and the infrastructure of banks is not always proper to provide high quality banking services to the customers. Banks should adopt modern technology to provide better banking facilities to customers.



**Conceptual Model of Customer Satisfaction**

### Conclusion

Banks should take necessary steps to spread awareness among customers about e-banking facilities. Many customers refuse to avail e-banking facilities due to security threat. Banks must take appropriate steps to protect the customers. Banks should adopt modern technology to provide better services to customers. The employees of banks should be properly trained so that they can provide proper e-banking facilities to the customers. The infrastructure of banks are not always proper which creates obstacles in e-banking services. The success of e-banking depends on customer satisfaction.

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