

## ROLE OF E-BANKING SERVICES TOWARDS CUSTOMER SATISFACTION: CURRENT SCENARIO

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### ABSTRACT

*E-banking comprises of online banking, internet banking, automated teller machines, electronic fund transfer system etc. Customers prefer e-banking more than traditional banking in recent years, customer satisfaction depends on various factors such as reliability, security, accessibility, convenience etc. Customers avoid e-banking due to lack of security. Banks suffer due to poor internet connection and improper infrastructure. Urban Customers use e-banking services more than rural customers. Banks adopt modern technology to provide e-banking services properly to the customers. Customers can avail e-banking services from their homes. Customers prefer e-banking than traditional banking as they need not visit bank branch. Banks emphasizes on e-banking as it helps to increase the level of customer satisfaction. Customer satisfaction is very important factor for customer retention. Many customers are not aware about e-banking facilities.*

**KEYWORDS:** *E-banking, Customer, Customer Satisfaction, Bank.*

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### Introduction

E-banking provides banking facilities to customers with the help of technology. E-banking includes online banking, tele banking, digital banking, internet banking, automated teller machines, smart cards, electronic funds transfer system, real time gross settlement system. E-banking is getting more attention than traditional banking in recent years. Customer satisfaction is the main concern for banks as the success of e-banking depends on customer satisfaction. Customer satisfaction depends on several factors such as convenience, reliability, privacy, security, competence, system quality, cost, accessibility, assurance, efficiency. Customers avoid e-banking due to lack of security. Many bank employees have less knowledge about e-banking (Sahu, 2016). Age of customers is an important factor in e-banking. Customers below forty years of age prefer internet banking more than traditional banking (Jolly,2016). Customer awareness on e-banking in urban areas is more in comparison to rural areas. Rural customers use e-banking services less than urban customers (Singhal,2017). Banks adopt modern technology to provide better e-banking services to customers. Customers can avail e-banking services from their homes. Banks provide e-banking services to the customers with the help of developed technology (Zafar et al.,2011). Banks emphasize on customer satisfaction as it helps to retain customers. Customer satisfaction helps to increase customer loyalty in banking sector (Suleiman et al., 2012). Banks provide e-banking services to increase the level of customer satisfaction.

### Literature Review

E-banking helps the banks to survive in competitive environment of banking industry. Banks provide banking facilities to customers round the clock (Balogun et al., 2013). Technological developments play important role in the banking sector. Competition between banks is increasing due to

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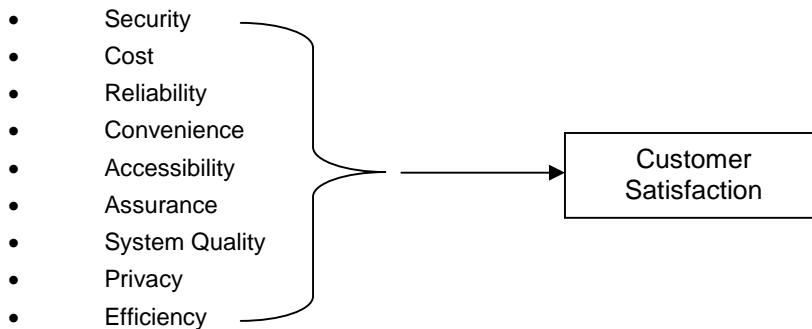
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technological development in recent years. Banks adopt various strategies to increase the level of customer satisfaction through e-banking (Sohail and Shanmugham, 2003). Banks provide banking services to customers through internet at low cost. Moderately educated people use internet banking less than highly educated people. Highly educated customers are interested in internet banking more than traditional banking (Yadav, 2016). E-banking is very useful and it is based on development of technology. E-banking has various advantages like banking from home, easy customization, stop payment. Customers as well as banks face difficulties due to lack of security. Banks suffer due to improper system design (Priyanka, 2017). E-banking provides more advantages to the customers than traditional banking. Customers can avail banking facilities without visiting bank branch. Lack of security is the main problem of e-banking system. The growth of e-banking is very significant in recent years. It is convenient for customers as they can avail banking facilities round the clock (Panda and Misra, 2017). Customer satisfaction level vary from person to person, product to product and service to service. Economic and psychological factors are very important for customer satisfaction in banking sector (Kumbhar, 2011). Online banking is based on internet whereas traditional banking is based on branch banking. Customer satisfaction is very important for banks as it influences the success of e-banking (Santhiya and Saravanan, 2018). Customer satisfaction is primary concern for banks for several reasons such as global competition, customer awareness and technological development. Banks emphasizes on long term relationship with customers as it has great impact on the success of banks (Esmaeili et al., 2013). Customers are shifting to e-banking from traditional banking with the development of technology. Banks are adopting modern technology to provide e-banking services properly to the customers (Ayyash, 2017). Internet is very important for banking sector in recent years. E-banking provides various services through internet. It provides efficiency regarding the management of customer relationship. The operational cost of e-banking is very low (Jindal, 2016). Banks emphasizes on the quality of e-banking services as customer satisfaction depends on it. The acceptability of e-banking depends on several factors such as customer awareness, web-portal management, efficiency of banking services, customer relationship management. Banks should adopt advanced technology as the preference of customers changes with the development of technology (Sunith, 2019). Customers avail banking facilities very easily through e-banking. Customer satisfaction depends on several matters like cost effectiveness, accuracy, security. Customers prefer e-banking than traditional banking due to cost effectiveness (Prasad et al., 2019).

#### **Current Scenario of e-Banking Services and Customer Satisfaction**

Banks emphasizes on service quality of e-banking to survive in the banking sector. Bank managers need to focus on service quality as it helps to increase the level of customer satisfaction (Kampakaki and Paphanasion, 2016). Mobile banking depends on several factors like technology adopted by the bank, network of the operator and customers. Mobile banking deal with various challenges such as demographic challenges, regulatory challenges, economic challenges. Customers can avail banking services easily with the help of mobile phones. Banks should take necessary steps to increase awareness among customers on mobile banking (Deshwal, 2015). The quality of e-banking services of public and private sector banks is vital factor for customer satisfaction. Customers are aware about their rights. Customers refer banking services to others if they satisfied with the e-banking services. Customer satisfaction is very important for customer retention (Madavan and Vethirajan, 2020). Banks emphasizes on customer satisfaction to survive in the competitive environment of banking industry. E-banking offers various advantages to customers with the help of advanced technology (Cabanillas et al., 2013). Security factor plays an important role for the adoption of e-banking. Many customers avoid e-banking due to lack of security. Customers as well as banks suffer due to poor internet connection and improper infrastructure. E-banking helps to reduce the burden of branch banking. Banks are not able to provide proper e-banking services to the customers due to poor infrastructure. Banks emphasize to increase e-banking habits among the customers. Customers prefer e-banking than traditional banking as it saves time and money. Many customers are not aware about the facilities of e-banking. Customers avoid e-banking due to lack of technological knowledge. Bank employees should be properly trained so that they can provide banking facilities properly to the customers. Customer awareness is very vital for the adoption of e-banking. The security system of public and private sector banks must be improved for the success of e-banking. Customers face difficulties due to pin number hacking. Customers prefer e-banking than traditional banking as they need not visit bank branch. Customers avail e-banking facilities from their homes and offices with the help of internet. Customer satisfaction depends on several factors such as security, cost, reliability, convenience, accessibility, assurance, system quality, privacy, efficiency.

### E-banking Services



### Conclusion

Banks emphasize on e-banking services as it helps to increase the level of customer satisfaction. Customers prefer e-banking more than traditional banking as they can save time and money. Customers avail banking facilities through e-banking without visiting bank branch. The operational cost of e-banking is very low. Banks should take necessary steps to increase the e-banking habits among customers. Customers as well as banks suffer due to poor internet connection and lack of security. Banks adopt modern technology to provide e-banking services properly to the customers. The quality of e-banking influences the level of customer satisfaction. Many customers are not aware about e-banking facilities. Bank employees are not able to provide banking facilities properly to the customers due to lack of knowledge regarding e-banking. Customer satisfaction depends on the quality of e-banking services. The success or failure of e-banking depends on customer satisfaction.

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