

E-BANKING AND CUSTOMER SATISFACTION: A STUDY

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ABSTRACT

Banks provide e-banking services properly to customers with the help of modern technology. Customers prefer e-banking services as they can avail banking facilities from homes and offices. Customers are shifting from traditional banking to e-banking in recent years. Many customers are not aware about e-banking facilities. Banks and Customers face difficulties due to poor internet service. Urban customers prefer e-banking more than rural customers. Highly educated people prefer e-banking more than moderately educated people. The study is based on primary data as well as secondary data. In this paper, an attempt has been made to study about e-banking and customer satisfaction.

KEYWORDS: *E-banking, Customer Satisfaction, Tele-Banking, Smart Cards, Automated Teller Machine.*

Introduction

E-banking involves online banking, tele-banking, smart cards, automated teller machine, internet banking, digital banking, electronic fund transfer system. Customer Satisfaction is the primer concern for banks to survive in the banking sector. Customer satisfaction depends on various factors such as security, cost, accessibility, convenience, privacy, assurance, reliability. The operational cost of e-banking is very low (Jindal, 2016). Customers prefers e-banking as they can avail banking facilities from their homes and office. Banks emphasize on e-banking to provide banking facilities accurately to the customers. Customer Satisfaction is the main concern for banks as a result of current technological developments and increased competition in banking sector (cabanillas et al., 2013). Customers of urban area use internet banking more than customers of rural area. Highly educated people prefer internet banking than moderately educated people (Yadav, 2016). Online banking is based on internet whereas traditional banking is based on branch banking (Santhiya and Saravanan, 2018). Customers face difficulties in availing e-banking services due to poor infrastructure. Many people avoid e-banking due to lack of security.

Literature Review

Many employees of banks are not aware about advanced technology regarding e-banking. Banks should provide e-banking facilities to the Customers appropriately (Sahu, 2016). Customer satisfaction vary from service to service, person to person. Psychological and economic factors have immense impact on Customer satisfaction (Kumbhar, 2011). Banks are compelled to adopt modern technology to provide e-banking services properly to the customers. Customers are shifting to e-banking from traditional banking with the help of modern technology (Ayyash, 2017). Banks emphasize to increase customer satisfaction level with the intention to enhance customer loyalty (Suleiman et al., 2012). Mobile banking deals with several challenges such as regulatory challenges, demographic challenges, economic challenges. Most of the customers use mobile phone and they prefer to avail banking services with the help of mobile (Deshwal, 2015). Internet banking helps in cost savings for customers. Age of customers is very important in internet banking. Internet banking helps to save time and money of the customers (Jolly, 2016). E-banking provide various facilities such as viewing recent transaction, viewing account balance, fund transfer. The knowledge of bank employees on e-banking is insufficient (Singhal, 2017). The growth of e-banking is very significant in recent years. Customers and Banks suffer due to low speed internet services (Panda and Misra, 2017). Customer satisfaction is the

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main concern in the banking sector (Ismail and Alawamleh, 2017). Customer satisfaction depends on various factors and several studies have been made to measure the level of Customer satisfaction in banking sector (Jing and Yoo, 2013). Customer satisfaction helps to maintain long term relationship between banks and customers. The quality of e-banking services plays important role to enhance the level of customer satisfaction (Madavan and Vethirajan, 2020). Banks emphasize on quality of e-banking services to increase customer satisfaction (Kampakaki and Papthanasion, 2016). Development of technology has allowed the banks to provide e-banking facilities to customers (Zafar et al., 2011). Many customers are not interested in e-banking due to security threat (Prasad et al., 2019).

Methodology

The study is based on primary and secondary data. Primary data collection has been done through direct interview with respondents. Secondary data has been collected from journal article. The sample size of the study is 120. 40% of respondents are female and 60% of respondents are male.

Data Collection and data Analysis

- **Customers Suffer due to Poor Internet Service**

Agree	:	67%
Disagree	:	33%

67% of respondents agree and 33% of respondents disagree.
- **Customers Avoid E-Banking due to Lack of Security**

Agree	:	73%
Disagree	:	27%

73% of respondents agree and 27% of respondents disagree.
- **Private Banks Provide E-Banking Services Better than Public Banks**

Agree	:	81%
Disagree	:	19%

81% of respondents agree and 19% of respondents disagree.
- **Employees of Banks have Sufficient Technological Knowledge Regarding E-Banking**

Agree	:	56%
Disagree	:	44%

56% of respondents agree and 44% of respondents disagree.
- **Customers Prefer E-Banking than Traditional Banking in Recent Years**

Agree	:	76%
Disagree	:	24%

76% of respondents agree and 24% of respondents disagree.
- **Highly Educated People Prefer E-Banking more than Moderately Educated People**

Agree	:	61%
Disagree	:	39%

61% of respondents agree and 39% of respondents disagree.

Discussion

The study proves that customers suffer due to poor internet service. Customers avoid e-banking due to Security threat. E-banking facilities of private banks are better than public banks. Employees of banks have insufficient technological knowledge regarding e-banking. Customers are inclined towards e-banking in recent years. The study also proves that highly educated people prefer e-banking more than moderately educated people.

Conclusion

Banks should adopt advanced technology to provide e-banking services appropriately to the customers. Banks emphasize to spread e-banking habits among customers. Many customers avoid e-banking due to several reasons such as poor internet services, lack of security, improper infrastructure.

The operational cost of e-banking is very low. Many customers avoid e-banking as they have insufficient knowledge regarding e-banking. Banks should take necessary steps to increase awareness about e-banking among customers. Banks are compelled to provide e-banking services properly to survive in the competitive environment of banking industry. Banks should provide e-banking services appropriately to increase the level of customer satisfaction.

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