

A Study on Electronic Banking: The Effect of E-banking on Customer Satisfaction

Vishal Panchal¹, Gaurav Pandey²

^{1,2}MBA Student Parul University

Abstract - The financial services industry has seen a rapid transformation because to electronic banking, or "e-banking," which provides customers with practical and effective money management tools. In an effort to shed light on the changing dynamics of banking services in the digital era, this study examines how e-banking affects customer satisfaction. Through a comprehensive review of existing literature and empirical analysis, this research examines various factors influencing consumer satisfaction with e-banking, including usability, security, accessibility, and customer service quality. The study investigates the relationship between these parameters and total customer satisfaction with e-banking services using quantitative approaches, such as surveys and statistical analysis. Furthermore, qualitative techniques for gathering data, including focus groups and interviews, can be used to learn more about the opinions and experiences of customers.

Key Words: E-banking, customer satisfaction, Convenience, responsiveness, reliability, security

INTRODUCTION

We search for methods to save time wherever possible since we live busy lives where every day feels like a race against the clock. One of the technological developments that enables customers to transact with retail or automated banks, credit unions, or other financial institutions on a safe platform is e-banking. The digital distribution of new banking services and products to customers directly through electronic, interactive contact networks is referred to as e-banking, or electronic banking. It provides clients with numerous benefits and advantages over traditional banking. Using a smartphone, e-banking is an easy and practical way to have 24-hour access to your bank. The internet is used by e-banking as a distribution channel for bank transfers. When it comes to routine tasks, bank transfers are no longer necessary thanks to e-banking services. Being one of the most widely used services offered by banks, online banking is also a very

reliable platform. Banks frequently utilize encryption technologies to guarantee that all client data is safe and that there are no data breaches. In the end, it guards against online fraud and account manipulation.

Even though today is the last day to pay your bills and you could face penalties, you should still rely on internet banking. You may shop online whenever you choose, in the comfort of your own home, at any time of day. Not only that, but you can safely shift funds at any time and complete them in a matter of seconds rather than needing to be physically present for a number of transfers.

No unstated expenses exist. Since using the internet for business is so simple, there are no hidden costs. Your bank takes care of the remaining amount; you are only responsible for a minor processing fee. Ensured Convenience: One of the numerous benefits of online banking is its accessibility, but it also simplifies banking considerably. There's no reason to wait in line at the bank anymore. Since then, transfers and withdrawals have become easier because of the mobile banking capabilities offered by most banks. You are able to finish transactions while at work or stuck in traffic.

LITERATURE REVIEW

Vijay M. Kumbhar (2011) Have studied about the factor affecting the customer satisfaction in E - Banking some evidences form Indian banks. Main purpose of this research was found out the impact of service quality dimensions on customer satisfaction in banking. This study also evaluated the influence of services quality on brand perception perceived value and satisfaction in E – banking.

Dr. Rajasulochana , Dr. Sharanya Murthy , Ms. Sneha R (2022) have studied about E - banking and customer satisfaction in public and private sector banks in Karnataka: An empirical analysis. Main purpose of the research was found out the aim was to study the impact

of internet banking services quality dimensions on customer satisfaction in public and private bank. In questions were included to gender, age, and education in this study.

(Hammoud, James, 2018) In order to determine which element has the biggest potential influence on customer satisfaction, this study looked into the relationship between the elements of E-Banking service quality and customer satisfaction. A survey instrument that was given to bank customers in the Lebanese banking industry was used to extract responses. SPSS was used to statistically analyze the data. The findings indicate that several factors significantly influence customer satisfaction: dependability, performance, and ease of use; responsiveness and communication; protection and privacy; and so on, with dependability having the most impact.

(Rajput, 2015) investigates how satisfied customers are with online banking services and what it means for banks. The purpose of this paper is to evaluate how customers see online banking services. ANOVA and percentages were used to examine the data in a descriptive manner after it was gathered via questionnaires. When it was found that customers were using E-Banking services including ATMs, home banking, and payment cards, it may be assumed that roughly 45% of people are happy and had a positive opinion of E-Banking. Common E-Banking features include bill payment, bank statement retrieval, and ATM withdrawals.

Satish Dhoke (2023) “have studied about role or E - banking service with customer perception and satisfaction in ongoing scenario. Main purpose of this research was found out the examine the perception of customer towards E- Banking services. And study about level of satisfaction of customer on E - banking service. for the purpose of this study 220 respondents were identified to measure customer satisfaction on related to the adoption of technology enable banking services using this method.

RESEARCH METHODOLOGY

Objectives of the Study

- 1.To study the relationship between security towards the satisfaction level of customers using EBanking services.
- 2.To study the relationship between convenience and satisfaction level of the E-Banking customer.
- 3.To study the effect of E-Banking on quality services and customer satisfaction.

Research Hypothesis

- H0: There is no significant relationship between security measurement towards the satisfaction level of the E-Banking customer.
- H1: There is significant relationship between security measurement towards the satisfaction level of the E-Banking customer.

Data Analysis and Interpretation

Anova: Single Factor				
SUMMARY				
Groups	Count	Sum	Average	Variance
E-banking services are fit my needs and wills?	196	420	2.142857	0.779487
How confident are you in the security measures of the e-banking platform?	196	421	2.147959	0.79338
The E-banking services provided by the banks offer services as per customer's needs?	196	400	2.040816	0.777813
Do you appreciate the innovative features offered by the e-banking platform?	196	410	2.091837	0.801779
Did you find e-banking transactions more efficient than traditional methods?	196	424	2.163265	1.009105

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	2	4	0.5	0.600736	0.662185	2.38106
Within Groups	811.5051	975	0.832313			
Total	813.5051	979				

The between-groups and within-groups variations were looked at to determine the relationship between

various parameters and customer satisfaction levels based on the analysis of variance (ANOVA) results for

your study on the impact of e-banking on consumer satisfaction. The ANOVA table shows that the groups' levels of customer satisfaction are not statistically different, as indicated by the non-significant F-value (0.600736) and related p-value (0.662185), which both above the traditional significance level of 0.05. This implies that variations in the groups under study—such as differences in demographics or e-banking service usage patterns—cannot be the cause of the variance in customer satisfaction. It's important to remember, nevertheless, that the relatively big F critical value (2.38106) and tiny F-value (0.600736) suggest that there may not be enough power to detect significant variations in satisfaction levels with the current sample size and groups. A more comprehensive investigation utilizing an expanded sample size or alternative grouping variables might be imperative to gain a deeper comprehension of the correlation between e-banking and customer happiness. Further statistical or qualitative approaches could be used to supplement these results in order to provide a more comprehensive knowledge of the variables affecting customer satisfaction in the context of online banking.

FINDINGS

- A number of significant conclusions about electronic banking and customer satisfaction are drawn from the data analysis. First off, the survey indicates that respondents strongly favor mobile banking, which may be attributed to its accessibility and ease.
- Furthermore, a sustained adoption over time is indicated by the fact that most consumers have been using electronic banking services for more than a year.
- The survey also emphasizes favorable opinions of online banking services, especially in relation to their simplicity of use and ability to save time.
- Still, there is room for improvement, particularly with regard to perceptions of security and direct access. Males somewhat exceed females in the sample population, which is skewed demographically towards younger age groups. Additionally, workers make up the largest occupational category and are distributed across a range of income brackets.

- While there may be relationships between demographic characteristics and electronic banking activities, the ANOVA results indicate that these variables do not significantly affect customer satisfaction levels.
- It is pointed out that the study might not have had enough power to identify these differences, pointing to the necessity for additional research using bigger sample sizes or different grouping characteristics. All things considered, the results offer insightful information about the workings of electronic banking and set the stage for more studies in this field.
- These findings suggest that electronic banking services are generally well-received among respondents, with mobile banking being the preferred choice. While there are some challenges and areas for improvement, overall perceptions are positive, indicating a favorable attitude towards electronic banking adoption and usage.

CONCLUSION

The fact that the majority of customers have been using online banking for more than a year suggests that adoption has been steady. Online banking services are widely appreciated for their ease of use and ability to save time, however issues with security and direct access still exist. The sample is skewed in favor of younger age groups and workers, and there is no discernible relationship between demographic factors and consumer satisfaction levels. The study emphasizes the need for additional research in this field even while it raises concerns about possible sample size constraints for identifying demographic disparities. In general, these observations offer significant comprehension of the dynamics of electronic banking and facilitate forthcoming inquiries.

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