



E BANKING: A STUDY ON CUSTOMER SATISFACTION

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Abstract

Banking sector plays an important role in the economy of the country. The Indian banking industry is in the midst of an IT (information technology) revolution. The new implication of E banking has reconstructed the whole banking industry. Banking institutions are facing competition not only from each other but also from various other non-banking financial intermediaries as well as alternative sources of financing. It has improved efficiency and convenience. The purpose of the study is to examine the challenges of E banking and customer satisfaction in financial services with respect to Net banking and mobile banking services.

E- Banking has become one of the essential banking services, if properly implemented it will gain customer trust and increase customer satisfaction and give banks a competitive advantage. Challenges of E-Banking can be used as opportunities to improve their services. This research is descriptive in nature and studies the challenges faced by E banking financial services and the customer satisfaction.

Keywords: *E Banking, Challenges, Customer Satisfaction, Financial Services.*

Introduction

Banking is the lifeline of an economy. Financial liberalization and technology revolution have allowed the development of new and more efficient delivery and processing channels as well as more innovative products and services in the banking industry, i.e. The birth of “Electronic Banking. E banking is a generic term for delivery of banking services and products through electronic channels. E- banking facilitates an effective payment and accounting system thereby, enhancing the speed of delivery of banking services considerably. Banking institutions are facing competition not only from each other but also from non- bank financial intermediaries as well as from alternative sources of financing. Another strategic challenge facing by banking institutions today is the growing and changing needs and expectations of consumers in tandem with increased education levels and growing wealth and technology. For many consumers, electronic banking means 24-hour access to cash through an automated teller machine (ATM) or Direct Deposit of pay checks into checking or saving accounts. But electronic banking involves many different types of transactions. E banking is also known as Eleor code electronic Fund Transfer (EFT), uses computer and electronic technology as a substitute for checks and other paper transactions. EFTs are initiated through devices like cards and codes that let you, or those you authorize, access your account. Many financial institutions use ATM or debit cards and Personal Identification Number (PINs) for this purpose.

Evolution of E-banking in India

E- Banking was introduced in India by ICICI in 1996. Thereafter many other banks like HDFC, IndusInd Bank, IDBI, Citibank, Axis bank also adopted E banking. As today private and foreign banks have started capturing the market through E banking, the competition is heating up and the lack of technology can make banks lose customers. Hence the public banks are also breaking the shackles of traditional set-up and gearing up to face the competition posed by the private sector.

Objectives

- Analysing the relationship between customer satisfaction and E banking services
- Studying the problems faced by customers while using UPI app



Review of Literature

1. Mehamood Ali, Muhammad Ali Khan, Muhammed Ahmed Kalwar (2021): In their study “Challenges for online banking in customers perspective” highlights the barriers and challenges of banking with respect to customer’s point of view. The objective of the paper is on highlighting the advantages of E banking and drawbacks of traditional banking. Also, the highlights of the factors affecting the implementation of online banking. The paper talks about customer’s awareness, online and traditional banking and various problems related to that etc. in the conclusion, the authors state why we need to fully adopt E banking.
2. Sikha Kumar, Dr. Ajay Kumar chatorraj (2020): in their study “E banking in India: present scenario” it shows how the banking system has changed overtime in India. The focus of this study is the facilities they provide to their customers. This study also focuses on challenges and how to minimize them. They suggest that there should be awareness among people. In the conclusion of this paper, it shows that many people are aware of E banking services and different people use different E banking services as all bank’s facilities are different from one and another.
3. Sri Balakrishna, R. Bharadwaj (2020) in their study “the impact of E banking services in India” portrays how technology has become the soul of day-to-day life to everyone. With the emergence of new technology banking sectors have also evolved around the time, it shows how E banking has contributed towards growth of the economy. Also, now customers can have easy access to their banks and both bankers and the customers can communicate with each other through the internet with ease. Their paper mainly focuses on E banking and its benefits, services and application in today’s business. The objective of the study was firstly on the impact of E banking on the services of banks, secondly the study was about opportunities and challenges faced by E banking services and thirdly the reasons for adopting or not adopting E banking services. In the conclusion the author’s aid that E banking has made our life comfortable, easy and convenient and we are also enjoying quality service. It also saves time and it is the cheapest delivery channel as it helps them to reduce their branch networks and also reduces the number of service staff.
4. Seharish J Ansari, Prof. Nisar A Khan (2017) in their study “E banking in India progress and challenges” depicted that the banking system over the globe is experiencing the evolution of IT sectors and India is also adopting the changes for survival in the liberalized privatized globalized market. The objective of the study was to show the expansion of E banking sectors in India and also the challenges it undergoes. The study also shows the progress of E banking in India and it has been measured by comparing the growth rates in terms of various components such as number of ATM’s number, number of credit and debit card issues. The author also talks about the challenges and opportunities that Indian banking is facing and also the solutions how to overcome that (privacy, security). The authors had concluded that the population is increasing as well as the number of internet users have increased. Out of so many options of electronic payments, mobile banking were the most preferred.
5. Lilesh Gautam, Sanjeev Kumar Khare (2014) in their study “e banking in India: issues and challenges) is based on the challenges faced before accepting E banking. And also, it shows major issues and challenges related to E banking. The author also portrays that E baking not only benefited on shopping but also it makes an individual independent as they can chose where and when to use banking services, it has also broken geographical boundary limitations. Now one can transact from anywhere at any time. This study has shown us issues and challenges like technological issues, privacy issues and security. In the conclusion the authors say that E banking is important for the development of of banking sectors. They can rectify their issues by giving proper information and guidance to customer as to how easily they can access through E banking.

Research Methodology

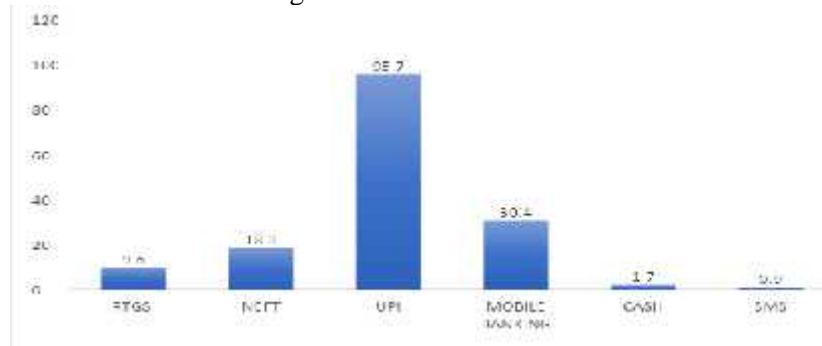
Sampling method – Convenience sampling (google form circulated through social media)



Sample Size – 115 respondents
 Research methodology – descriptive
 Study area – E banking
 Statistical tools – Simple percentage analysis
 Measuring instruments – multiple choice, linear scale, checkboxes

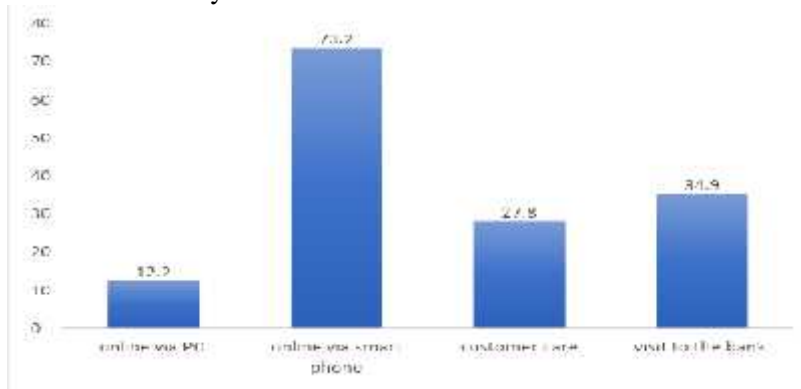
Data Analysis and Interpretation

1. The number of users of different E banking services



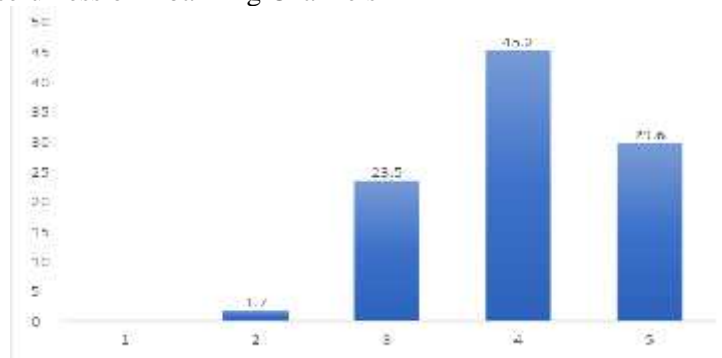
In the above bar graph, we can see that majority of them i.e., 95.6% use UPI for transactions and the next most used services is mobile banking with 30% of the respondents, the respondents preferred cash the least and we can see that people are moving to digital ways from traditional mode of transactions.

2. Preferred form of communication by the users with the bank



The above graph illustrates that 73.2% of the respondents prefer online via smart phone to communicate with their banks and 34.9% prefer to visit bank. People prefer to do things online than doing things manually.

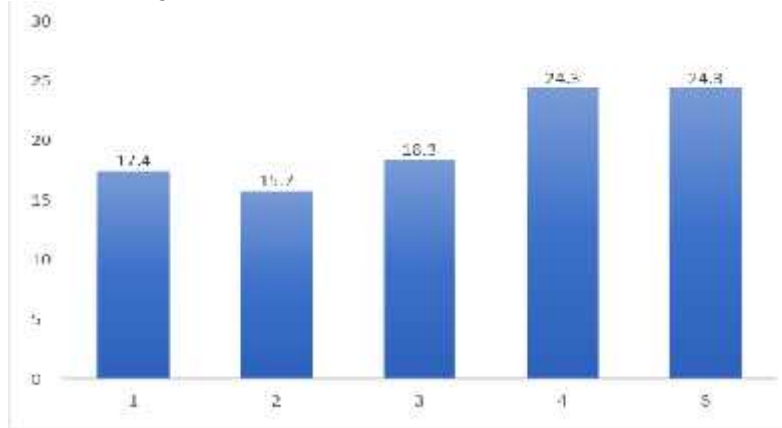
3. Ease of access and usefulness of E banking Channels





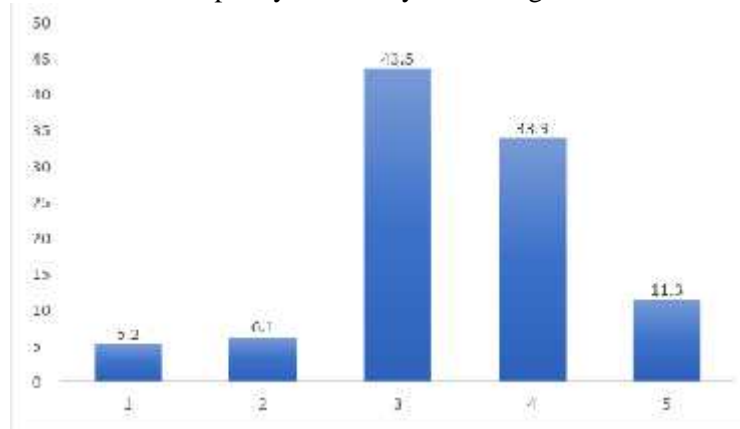
The above bar graph shows how much they would rate the ease of access on a scale of 5. Most of the respondents have marked 4 i.e.,45.2% as it is easy for them to use UPI at any point of time and 29.6% marked 3 on scale of 5.

4. How often do you use E banking services are used?



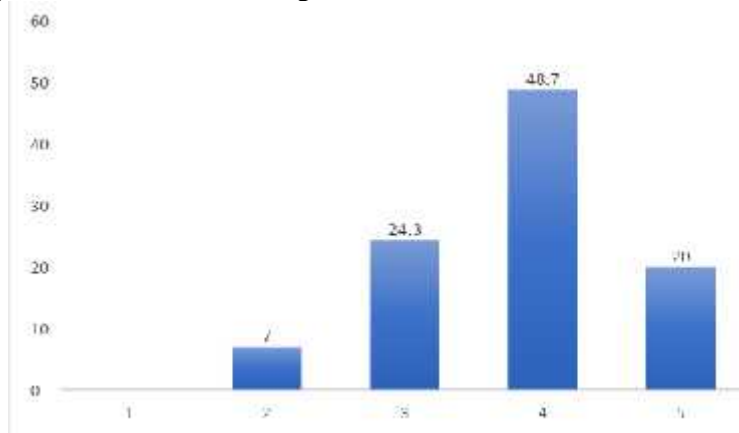
From the above graph we can say that majority of them use E banking services often as most of them marked 4 and 5 on a scale of 5 and 17.4% never use E banking services.

5. How satisfied you are with the refund policy offered by E banking services



The above graph illustrates that respondents are not very satisfied with refund policy as majority have chosen 3 on a scale of 5 i.e., 43.5% of the sample collected and only 11.3 are fully satisfied with the refund policy.

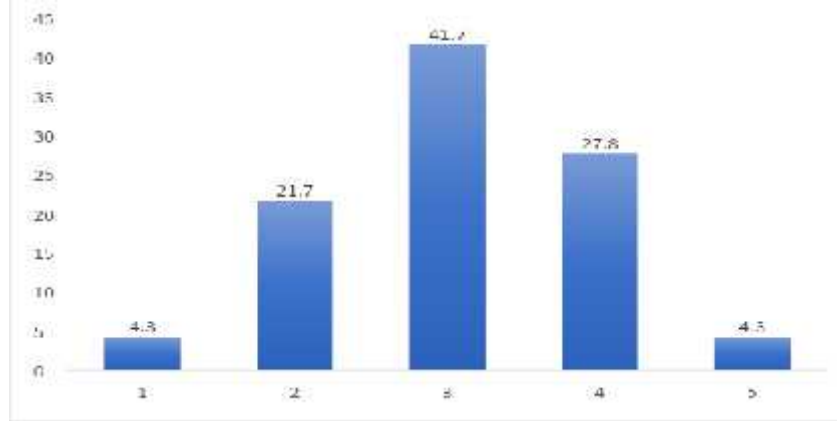
6. Rate how satisfied you are with the E banking services





In the above bar graph, we can see that majority of them are satisfied with E banking as respondents have choose 4 on a scale of 5 i.e., 48.7%. In spite of few drawbacks in E banking, on a whole majority of them are satisfied with services of E banking.

7. Transaction issues



The above graph illustrates the transaction issues faced by the respondents personally. Customer’s have marked 3 on a scale of 5 i.e., 41.7% which means that majority have faced transaction issues but at a moderate level and least people have not faced transaction issues at all i.e., 4.3%.

8. Table showing Customer’s satisfaction on their personal experience and satisfaction

	SD	D	N	A	SA
E banking makes banking cheaper	6.08	12.17	50.44	21.74	9.57
E banking services are available 24/7	6.08	13.02	23.5	41.7	15.7
E banking saves time	8.7	2.6	22.6	37.5	28.6
E banking is a secure way to deal with money	3.6	7.8	49.5	30.4	8.7
E banking makes transactions easier and fast	6.9	3.6	24.3	40.9	24.3

This table shows how to customers agree or disagree on the points relating to E banking and its services based on their experience.

Conclusion

E-banking has grown dramatically over the years. E banking services have played a crucial role in changing the lives of individuals as well as the economy as it is profitable for consumers as well as banks. The number of users of E banking services has increased by 137% since March 2020. 80% of people preferred E banking. The pandemic has led many individuals to opt for E banking services as it was convenient and most appropriate for the current scenario.

References

1. Mehamood Ali, Muhammad Ali Khan, Muhammed Ahmed Kalwar (2021) “Challenges for online banking in customers perspective”
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