

Analyzing Customer Satisfaction with e-banking Services: A Study of Banking Customers of Indore District

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ABSTRACT

Purpose –E-banking is emerging as a major trend in Indian banking and it is empowering and improving service quality in the banking sector. The present study is an attempt to ascertain the customers' perception of the overall satisfaction with the current e-banking services in Indore District, M.P.

Methodology–Convenience Sampling has been applied to select the sample from customers of both public sector banks and private sector banks of Indore District who use e-banking services. Data was collected through a self-administered questionnaire using Google Forms. The final sample constitutes responses from 155 customers. Appropriate statistical tools viz., Percentage analysis, One-way ANOVA and Independent Samples t-test were used to analyze data.

Findings –It can be inferred from the analysis that banking customers agreed with the fact that there is an improvement in e-banking services and now they are using it more frequently. The majority of them confirmed that they are satisfied with the available e-banking services. The study revealed that most banking customers of Indore District are satisfied with e-banking services irrespective of their gender, age, educational qualification, and annual income.

Research limitations/implications – The study is confined to banking customers of both public and private sector banks who use e-banking services. Bank officials can also be interviewed to get a deep insight into the given problem.

Originality/value – This article is an analytical update on the impact of demographic variables on customers' satisfaction with e-banking services and can be a valuable resource for bankers, policymakers, academicians, as well as researchers.

Keywords –customer satisfaction, e-banking, digital banking.

1. Introduction

E-banking is emerging as a major trend in Indian banking and it is empowering and improving service quality in the banking sector. In India, e-banking was pioneered and introduced by foreign and private banks and now public banks are following the defined process. E-banking has led to cost reductions for bankers, increased productivity, and customer satisfaction. These services permit a large number of customers to access a wide range of banking services without visiting banking locations. However, there has been variation in quality by various banks, therefore it is too important to understand the nature, growth and extent of electronic banking services and their impact on operational performance and service quality and thus ensuring customer satisfaction. The measurement of customer satisfaction can provide banks with useful information about customer loyalty and retention, and also help them devise effective strategies to use efficient customer service as a distinguishing factor in this heavily customer-oriented service industry. The present study is an attempt to ascertain the customers' perception of the overall satisfaction with the current e-banking services in Indore District, M.P.

2. Literature Review

Ramya, N. (2021) concluded that with the increased competition and pressures to cut expenses, banks need to attract and retain their customers by creating, maintaining and highlighting attractive features of e-banking. Results also show customers are dissatisfied with public sector banks in terms of quality of services and with private sector banks in terms of cost. Similarly, **AlHaliq&AlMuhirat (2016)** investigated in their research that Saudi banks have succeeded in attaining significant customer satisfaction by improving their e-banking services, facilitating electronic transactions, improving processing performance and enhancing the specifications of e-services. In addition, they have achieved effective communication with their customers as well as the speed of applications. However, there is an absence of awareness and guidance for customers about the e-banking system. The authors recommended improvements to the electronic services provided by banks in Saudi Arabia to enhance customer satisfaction. **Hammoud et al. (2018)** found that reliability, efficiency, ease of use, responsiveness and communication, security and privacy all have a significant impact on customer satisfaction, with reliability being the dimension with the strongest impact. The authors revealed that e-Banking has become one of the essential banking services and if properly implemented, it has the potential to enhance customer satisfaction and can give banks a competitive advantage. **Singh et al. (2020)** examined the relative strength of each dimension of service quality affecting customer satisfaction. It has been found that the overall regression model has been a reasonable fit and there is a statistically significant association

between service quality dimensions and customer satisfaction. **Rajput(2015)** explored that customers were found using E-Banking services and they were having a favorable view of and were satisfied with E-Banking.

With regard to the impact of customers' demographic profile on their opinions about satisfaction with e-banking services **Sangeetha & Myilswamy (2020)** mentioned that Electronic Banking technology is useful to customers as well as banks and other organizations. She found no significant difference between personal factors like age, profession, annual income and category of the bank chosen and the satisfaction level of the customers. **Raghavendra & Kumar(2016)** revealed that customer satisfaction is influenced by the customer's gender, age, education, and income level.

Thus, the present study attempts to deal with conflicting views on customer satisfaction with e-banking services and assess the impact of demographic variables on their level of satisfaction.

3. Research Objectives

- To assess the customer satisfaction level with current E-banking services.
- To compare customers' perceptions of satisfaction with e-banking services based on demographic factors viz., Gender, Age, Educational Qualification, and Annual Income.

4. Hypotheses

H₀₁: There is no significant difference in customers' perceptions of satisfaction with e-banking services based on their Gender.

H₀₂: There is no significant difference in customers' perceptions of satisfaction with e-banking services based on their Age groups.

H₀₃: There is no significant difference in customers' perceptions of satisfaction with e-banking services based on their Educational Qualifications.

H₀₄: There is no significant difference in customers' perceptions of satisfaction with e-banking services based on their Annual Income.

5. Research Method

Simple Random Sampling has been applied to select the sample from customers of both public sector banks and private sector banks of Indore District who use e-banking services. Data was collected through a self-administered questionnaire using Google Forms. The final sample constitutes responses from 155 customers. Appropriate statistical tools viz., Percentage analysis, One-way ANOVA and Independent Samples t-test were used to analyze data.

6. Data Analysis

Table 1 Demographic Profile of the Respondents

Parameter	Groups	Frequency	Per cent
Gender	Female	67	43.22
	Male	88	56.78
Age	<=25 Years	33	21.29
	26-35 Years	49	31.61
	36-45 Years	40	25.81
	>=46 Years	33	21.29
Education	Higher Secondary	37	23.87
	Graduate	69	44.52
	Postgraduate	49	31.61
Monthly Income	<25000	105	67.74
	25000-50000	26	16.78
	>50000	24	15.48
	Total	155	

Table 2 Percentage Analysis of Parameters of Customer Satisfaction with e-banking Services

Satisfaction Parameters	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Easy to access	1	8	23	79	44	155
	0.6%	5.2%	14.8%	51.0%	28.4%	100.0%
Safety and Security	2	8	23	78	44	155
	1.3%	5.2%	14.8%	50.3%	28.4%	100.0%
Reliability	2	10	33	72	38	155
	1.3%	6.5%	21.3%	46.5%	24.5%	100.0%
Transaction limit to A/c transfer	1	7	23	77	47	155
	0.6%	4.5%	14.8%	49.7%	30.3%	100.0%
Service charges and fees	6	20	29	58	42	155
	3.9%	12.9%	18.7%	37.4%	27.1%	100.0%
A/c opening formalities	5	10	40	64	36	155
	3.2%	6.5%	25.8%	41.3%	23.2%	100.0%
Loan a/c activity	1	7	25	75	47	155

	0.6%	4.5%	16.1%	48.4%	30.3%	100.0%
Product information	1	7	22	79	46	155
	0.6%	4.5%	14.2%	51.0%	29.7%	100.0%
Standing instruction facility	1	7	23	78	46	155
	0.6%	4.5%	14.8%	50.3%	29.7%	100.0%
Chequebook request facility	1	8	26	83	37	155
	0.6%	5.2%	16.8%	53.5%	23.9%	100.0%
Opening of term deposit A/c	2	13	28	77	35	155
	1.3%	8.4%	18.1%	49.7%	22.6%	100.0%

As seen in Table 2, more than 70% of sample customers agreed with all the parameters of satisfaction with e-banking services. However, with regard to A/c opening formalities, nearly 26 per cent of respondents were found neutral and approx. 10% of them were dissatisfied.

Hypotheses Testing

H₀₁: There is no significant difference in customers' perceptions of satisfaction with e-banking services based on their Gender.

Table 3 Comparison of Mean Satisfaction Scores based on Gender

Gender	N	Mean	S.D	t-test	P value	Result
Female	67	43.84	7.029	0.875	0.383	Non-Sig
Male	88	42.85	6.852			

Table 3 shows the comparison of mean scores of satisfaction with e-banking services based on Gender using independent samples t-test. A non-significant difference was found between female and male customers implying that customers' satisfaction with e-banking services doesn't vary with their gender. Hence, the null hypothesis (H₀₁) is accepted.

H₀₂: There is no significant difference in customers' perceptions of satisfaction with e-banking services based on their Age groups.

H₀₃: There is no significant difference in customers' perceptions of satisfaction with e-banking services based on their Educational Qualifications.

H₀₄: There is no significant difference in customers' perceptions of satisfaction with e-banking services based on their Annual Income.

Table 4 Comparison of Mean Satisfaction Scores based on Age, Educational Qualification, & Annual Income

Age	N	Mean	S.D.	F	P Value	Result
<=25 Years	33	44.94	6.717	1.040	0.377	Non-Sig
26-35 Years	49	42.27	5.612			
36-45 Years	40	43.50	6.202			
>=46 Years	33	42.85	9.318			
Total	155	43.28	6.924			
Education	N	Mean	S.D	F	P Value	Result
Higher Secondary	37	44.89	6.979	1.420	0.245	Non-Sig
Graduate	69	43.00	7.096			
Postgraduate	49	42.45	6.567			
Total	155	43.28	6.924			
Monthly Income	N	Mean	S.D	F	P Value	Result
<25000	105	43.51	6.319	1.143	0.322	Non-Sig
25000-50000	26	44.08	6.267			
>50000	24	41.38	9.645			
Total	155	43.28	6.924			

Table 4 shows the comparison of mean scores of satisfaction with e-banking services based on Age, Educational Qualification, and Annual Income using one-way ANOVA.

A non-significant difference ($P > 0.05$) was found in customers' perceptions based on their Age, Educational Qualification, and Annual Income implying that customers' satisfaction with e-banking services doesn't vary with these demographic variables. Hence, null hypotheses ($H_{02}, H_{03},$ and H_{04}) are accepted.

The Post Hoc Tukey test was not applied as F test values are non-significant for all the chosen demographic variables.

Thus, the results of hypotheses testing are presented in Table 5-

Table 5 Hypotheses Results

No.	Hypothesis	Result
H ₀₁	There is no significant difference in customers' perceptions of satisfaction with e-banking services based on their Gender.	Accepted
H ₀₂	There is no significant difference in customers' perceptions of satisfaction with e-banking services based on their Age groups.	Accepted
H ₀₃	There is no significant difference in customers' perceptions of satisfaction with e-banking services based on their Educational Qualifications.	Accepted
H ₀₄	There is no significant difference in customers' perceptions of satisfaction with e-banking services based on their Annual Income.	Accepted

7. Conclusion

E-banking services and customer satisfaction are key elements for banks to ascertain customer acquisition and retention and increase bank profitability. All public and private Banks in the country are going digital because of the changes in consumer behaviour and their expectations from the bank. Technology now had changed the way banking was done some decades ago. E-banking is growing fast however, the internet and mobile do not completely replace traditional banking, they have become lately the dominant means for consumers to interact with their banks. It can be inferred from the analysis that banking customers agreed with the fact that there is an improvement in e-banking services and now they are using it more frequently. The majority of them confirmed that they are satisfied with the available e-banking services. However, previous studies were instrumental in understanding that banking customers having different demographic profiles (age, gender, educational qualification, income, occupation, etc.) differ in their experiences with e-banking services (*Madavan&Vethirajan, 2020; Raghavendra, 2016; Fozia, 2013*). The present study contradicts these findings and revealed that most banking customers of Indore District are satisfied with e-banking services irrespective of their gender, age, educational qualification, and annual income.

However, some areas are left where improvement in e-banking services is required such as making transactions online poses a much bigger risk compared to that done in a physical branch. Banks should generate trust in the minds of customers that e-banking is safe as trust is the factor which is the most valued among customers. Though e-banking poses several challenges in front of customers, still it offers a better solution in terms of ease of operations, cost saving, time-saving, and dynamic platform for day-to-day monetary transactions. Thus, there is no doubt that shortly e- banking will undeniably overcome traditional banking.

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