



FACTORS INFLUENCING THE CUSTOMER SATISFACTION IN E-BANKING- EVIDENCE FROM SELECTED COOPERATIVE BANKS OF AHMEDNAGAR DISTRICT

¹ Ms. Sayyed Ayesah Iqbal, ² Dr. Ajaykumar Madhukar Palwe

¹ Reseach Scholar, ² Research Guide

¹ Dept. of Commerce & Research Centre,

¹ B.P.H.E. Society's Ahmednagar College, Ahmednagar, Maharashtra, India

Abstract: Examining the adoption of E-Banking and how it affects customer satisfaction metrics like convenience, accessibility, privacy, security, and assurance, reliability and responsiveness among Cooperative Banks of Ahmednagar City are the two main objectives of this study.

Design, methodology, and strategy - Using a random sampling procedure, primary data were gathered from 300 customers of selected Cooperative Sector Banks in Ahmednagar District who represented the targeted range of demographic attributes (including gender, age, income, qualification etc.). Primary data were collected using a structured questionnaire. The data was analyzed using both statistical analysis and descriptive analysis.

Findings - Customers are more satisfied with cooperative banks in the Ahmednagar district when they have convenient access to information, privacy, security and assurance, reliability, and responsiveness. It was also expected that individual criteria including gender, age, marital status, and education would have a different impact on how these attributes affected consumer pleasure. Results show that the bank should adequately inform customers about its charges.

Index Terms - E-Banking, Customer satisfaction, Convenience, accessibility, privacy, security and assurance, reliability, and responsiveness

1. INTRODUCTION

The development of more adaptive payment methods and user-friendly financial services is significantly impacted by the development of information technology in the banking sector. E-banking involves accessing banking products & services, such as creating a bank account and conducting financial transactions, through the Internet and web-based technology. Internet banking may be defined as the process of a bank developing a website to provide information about its goods and services. The term E-Banking defined as "the provision of information or services by a bank to its customers, via a computer or television."¹

E-banking is being used more frequently as a marketing tactic to attract customers and give them value. Customer happiness is a major component in the retention and growth of profitability for providers of online banking services. Due to a number of considerations, including convenience, cost savings, multipurpose services, style, and ease of use, e-banking has grown in popularity. When choosing a bank, customers are increasingly deciding based on the availability of E-Banking services. By putting an emphasis on efficiency, convenience, privacy, accessibility, security, and other factors, banks offer a variety of online goods and services to their customers, who give them the possibility to expand their client base, sell more services, and safeguard their business operations.

Customer satisfaction is widely recognized as a key component of business success and as being essential to the survival and growth of the banking sector. Better service quality increases customer satisfaction and encourages more consumer involvement. The provision of top-notch services raises general client contentment. With more individuals using online banking services, industry professionals can better concentrate on and enhance the crucial elements that produce exceptionally delighted customers by being aware of the factors that influence satisfaction. In order to respond to shifting customer needs and technological improvements, banks must modify their strategy. The growth and utilisation of information and communication technologies has increased competition in the banking sector. It is now essential to provide excellent customer service because of the power shift from the product to the client brought about by the usage of information and communication technologies in the banking sector. As a result, electronic banking has supplanted the traditional banking system. Customers' desires, needs, expectations, and wants form the core of electronic banking. The main attraction is the customer. The success of banking depends on these factors. The rise of e-banking has made it simpler to understand the wants, aspirations, and expectations of the clientele, despite the fact that

these factors pose a serious difficulty for the banking sector. By removing constraints relating to time, space, convenience, accessibility, etc., banks can increase client satisfaction.

2. OBJECTIVES

- I) To investigate how customer satisfaction is impacted by E-Banking.
- II) To investigate the factors that influences the level of satisfaction of E-Banking customers of selected cooperative banks of Ahmednagar district.
- III) To assess the relative significance of these factors on overall satisfaction of selected users of E-Banking services.

3. LITRATURE REVIEW

3.1 E-Banking

Vaishali Narolia, S. K.² in (2015) defined E-Banking as “It encompasses the wide technological innovations that have taken place in banking from transferring funds online, making online payments for almost all the service, managing account balances to making a railway, airway and hotel bookings. It has removed the barriers of ‘Brick and mortar’ model of banking”. **Havsi, F.**³ in 2013 defined “E-Banking is the acme of information technology usage, to omit time and place limitation.” **Flavian** in 2004 and **Gan & Clemes**⁴ in 2006 opined that with the advent of globalization and intense rivalry, the growth of the E-Banking as a cutting-edge and alternative means for the distribution of services has been essential to gaining an advantage. **Daniel. E** in 1999⁵ opined that E-banking is the process by which banks transfer customer information via a variety of terminals, including computers, mobile phones, software-enabled phones, and digital televisions. **Khan. H F**⁶ in 2021 opined that E-Banking is the distribution of remote banking services by authorised and authorized banks to their customers through a variety of channels, either directly from the banks or through intermediaries acting on their behalf. E-Banking is the process through which customer accounts are obtained and used to conduct a variety of transactions over the internet, personal computers, mobile devices, and different web-based apps.

3.2 Customer Satisfaction

Hill⁷ in 2017 defined “Customer satisfaction is a measure of how your organization’s total product performs in relation to an asset of customer requirements. Explaining how to measure customer satisfaction in any industry and what affects the accuracy of those results. Indeed, there are two main factors; one of them is by asking the right questions, the other is asking the right people.” **Oliver**⁸ in 1980 defined customer satisfaction as “an evaluation judgment prior to making a choice, about any particular purchase decision”. **Kotler, P. & Keller K.L.**⁹ in 2006 defined “Satisfaction is a person’s feeling of pleasure or disappointment resulting from comparing a product’s performance (outcome) in relation to his or her expectation”. Customer satisfaction is a metric used to assess how well your company's overall offering meets a set of client demands. Demonstrating how to gauge customer happiness in any sector and how to ensure that the results are accurate. There are two key components, one of which is asking the proper questions and the other of which is contacting the appropriate people.

3.3 Factors affecting E-Banking

Many studies on consumer perceptions and the widespread use of e-banking have shown that a variety of factors, including a person's demography, motivation for and behaviour towards various banking technologies, and individual acceptance of new technology, influence the consumer's attitude towards E-Banking. Prior computer and new technology experience has been shown to have an impact on consumer attitudes towards E-Banking.. From the perspective of the consumer, security, trust, and privacy issues have been identified as being of the utmost importance when it comes to the adoption of E-Banking¹⁰. Perceived utility, usability, dependability, security, and continual improvement are service quality characteristics that banks must provide to entice customers to migrate to online banking¹¹. Six composite dimensions of the quality of electronic services, including the availability of quick and accurate electronic banking operations, accessibility and dependability of service delivery, effective queue management, service personalization, friendly and helpful customer service, and targeted customer service¹². Johnston in 1995 indicated that some factors affecting service quality are primarily satisfied and others are primarily dissatisfied, with the primary factors contributing to satisfaction being attention, responsiveness, empathy, and friendliness, Integrity, reliability, responsiveness, availability, and functionality are the key causes of dissatisfaction¹³. The ability of an invention to fulfil customers' needs using different feature availability on the website is one of the most important components in assuring the success of e-banking. For instance, the availability of interactive loan calculators, rate converters, and mortgage calculators on websites attracts users and non-users to the bank's website¹⁴.

4. RESEARCH METHODOLOGY

4.1 Population of the Study- Ahmednagar District

For this study, a total of 300 customers of five selected banks namely-i) Ahmednagara Disctrict Central Cooperative Bank (ADCC) ii) Pravara Sahakari Bank Ltd. ii) Nagar Urban Co-Operative bank Ltd, Ahmednagar iv) Ahmednagar Merchant Cooperative Bank Ltd. v) Shamrao Vithal Cooperative Bank from Ahmednagar district were surveyed.

4.2 Primary Data

Tool used- Questionnaire

Sample Frame- All customers of cooperative banks who are using E-Banking products & services in Ahmednagar District

Sample size- 300 Customers

Questionnaire-

Part 1- Information regarding demographic -

In demographic information regarding the respondents' demographic characteristics including their age, gender, marital status, level of education occupation, area of occupation, position, and monthly income etc. were collected.

Part 2- Information regarding factors affecting customer satisfaction-

In this section opinion regarding various factors affecting customer satisfaction like: convenience, accessibility, privacy, security & assurance, reliability & responsiveness are collected.

4.3 Secondary Data

Research papers, journals, websites, books, project reports, and other sources were used to gather secondary data.

5. DATA ANALYSIS & INTERPRETATION

5.1 Parts 1- the Demographic Information of the respondents of the selected banks are given below:

Table 1 Demographic Information

Sr. No	Demographic	Frequency	Percentage	
1.	Gender:	Male	226	75.3
		Female	74	24.7
2.	Age:	Less than 25 years	40	13.3
		26 to 40 years	118	39.3
		41 to 55 years	94	31.3
		56 to 65 years	48	16.0
		Above 65 years	00	0.0
3.	Marital Status:	Married	212	70.7
		Unmarried	82	27.3
		Divorcee	6	2.0
4.	Qualification:	Up to 12	28	9.3
		Diploma	80	26.7
		Bachelor's Degree	150	50
		Master's Degree	34	11.3
		Professional	8	2.7
5.	Occupation:	Student	18	6.0
		Business	86	28.7
		Profession	26	8.7
		Government Employee	46	15.3
		Private Employee	84	28.0
		Agriculturist	18	6.0
		Home Maker	18	6.0
		Others	4	1.3
6.	Income:	Less than 6 Lakhs	86	28.7
		7 Lakhs to 12 Lakhs	138	46.0
		13 Lakhs to 18 Lakhs	60	20.0
		19 Lakhs to 25 Lakhs	14	4.7
		Above 25 Lakhs	2	0.7
	Total	300	100	

From Table 1, It can be seen that the respondents had a relatively unequal proportion of males (75.3%) and female (24.7%). The above-mentioned proportion of males and females is not in accordance with the present population of India, and therefore, can be said to reflect India's population is imbalance. The sample respondents were mostly youngster in the age group of 26 to 40 years (39.3%). It is also evident from the table that 31.3% of the respondents were from the age group of 41 to 55 years, 16% were between 56 to 65 years, and 13.3% were less than 25 years, a majority of the respondents were married this percentage was 70.7%, while the percentage of unmarried respondents was 27.3%.

The respondents were predominantly holding bachelor's degree (50%) and diploma (26.7%). This implies that the respondents had high literacy levels. With regard to occupation status, majority (28%) of the respondents were related to business & private employment, government employed (15.3%), professionals (8.7%), students, agriculturist & homemaker (6%) and others (1.3%). It is quite obvious that the employment level was high among the respondents. The study had a majority of the respondents earning between 7 lakhs to 12 lakhs in a year (46%), while 28% of them had income less than 6 lakhs, and 20% of them earns from 13 lakhs to 18 lakhs.

5.2 Part 2- Information regarding factors affecting customer satisfaction-

Table 2 Overall Satisfactions of Respondents

Satisfaction Level	Frequency	Percentage
Highly Satisfied	36	12.0 %
Satisfied	110	36.6%
Neutral	87	29.0%
Dissatisfied	38	12.6%
Highly Dissatisfied	29	09.8%
Total	300	100.0%

As shown in the table above majority 36.6% of the respondents have indicated that they were satisfied with the E-Banking services of the selected cooperative bank, 29 % of the respondents revealed that they were neutral with the E-Banking services provided by their banks. 12.6% of the respondents indicated that they are dissatisfied about the bank's electronic banking services. On the other hand, it is also clear that about 12% of respondents said they were highly satisfied with the services offered by E-Banking & 9.8% of the respondents are highly dissatisfied about E-Banking services provided by selected cooperative banks. The proportion of dissatisfied respondents as well as highly satisfied respondents are equal whereas the proportion of neutral respondents is large. In conclusion, the data indicates that the majorities of respondents have a positive outlook and are satisfied with the E-Banking services of the selected cooperative sector banks. As the proportion of neutral customers is high it is needed to convert these respondents into satisfied respondents.

Table 3 Factors Affecting Customer Satisfaction

Factor/ Item	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Convenience	%	%	%	%	%
User friendly	86.0	7.3	6.6	-	-
Easy access to accounts anytime and any where	71.6	11.6	13.0	3.6	-
Modes of E-banking services are convenient	47.6	28.6	11.3	12.3	-
Allow easy and convenient way to handle money	71.6	13.0	12.0	3.3	-
Time is saved using e-banking services.	100.0	-	-	-	-
Accessibility	%	%	%	%	%
Accessible transactional data	56.3	29.0	11.3	3.3	-
Easy access to details on the bank charges	23.0	48.0	2.0	27.0	-
E-Banking services consistency in performance	56.0	29.0	13.3	1.6	-
Quick response to queries	52.3	16.0	7.6	24.0	-
Bank provides data recovery system	-	7.6	80.6	11.6	-
Privacy	%	%	%	%	%
Bank delivers confidential information securely.	48.3	33.0	2.0	16.6	-
Bank protects the privacy of its customers	46.6	28.6	18.3	6.3	-
Adoption of E-banking is not significantly hampered by privacy.	46.6	32.6	5.0	15.6	-
Customers believe in their bank	56.0	31.3	-	12.6	-
E-banking adoption is influenced by privacy concerns	71.3	28.6	-	-	-
Security & Assurance	%	%	%	%	%
Banks monitor customer satisfaction and provide it.	14.3	47.3	25.6	12.6	-
Customer interactions are continually improved by banks	-	23.0	58.6	18.3	-
Banks guarantee Security	70.0	12.0	16.6	1.33	-
Security factor is the prime factor	49.3	17.3	28.0	5.3	-
Banking infrastructure is reliable in correcting erroneous transactions	53.3	31.3	6.0	9.3	-
Reliability & Responsiveness	%	%	%	%	%
The bank's E-Banking services are in accordance with the prospectus.	32.0	28.0	10.0	28.0	-

Factor/ Item	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Rapid reaction to customer inquiries or complaints	40.6	38.6	13.3	7.3	-
Speedy upgrade on account transactions by the bank	30.0	30.0	11.3	26.6	-
Continuous improvement by the bank on initiatives and upgrades	39.3	32.0	19.0	9.6	-
Debit and credit cards are simple to use everywhere.	32.0	28.6	10.0	28.0	-

The above Table represents different elements of the factors affecting E-Banking customer satisfaction.

The first factor affecting adoption of E-Banking & their customer satisfaction is the convenience that a customer should gain from the banks while using various E-Banking products & services. The respondents recorded their agreement about the elements 'user friendly, & Easy access to accounts anytime and anywhere, convenient modes, easy handling & time saving. From the study it was seen that respondents are strongly agree about the convenience provided by their respective banks.

The second factor represents the elements of the accessibility provided by the bank. The respondents are agreed about the elements accessible transactional data, consistency in performance. Whereas the response about Easy access to details on the bank charges & Quick response to queries was mixed by respondents. When the respondents asked about data recovery system majority of the respondents seen neutral.

Another crucial element for the acceptance of e-banking services is privacy. The agreement relating to elements such as delivery of confidential information securely, protection of privacy, Adoption of E-banking is not significantly hampered by privacy, customer trust & adoption of E-banking is influenced by privacy concerns were recorded. The study shows that respondents strongly approve of the privacy their individual banks provide.

The factor **Security & Assurance** consists of the statements such as banks continuous monitoring of customer satisfaction, improved customer interaction, guaranteed security shows agreement of the respondents. Whereas majority of the respondents remained neutral when they are asked about Customer interactions are continually improved by banks. It is also seen that proportion of dissatisfaction has increased regarding the privacy although percentage is less but banks should strive to remove this.

The next factor affecting adoption of E-Banking is **Reliability & Responsiveness** indicated that "The bank's E-Banking services are in accordance with the prospectus, Rapid reaction to customer inquiries or complaints, Speedy upgrade on account transactions by the bank, Continuous improvement by the bank on initiatives and upgrades & Debit and credit cards are simple to use everywhere. The data explains that the respondents are agreed about the elements of reliability & responsiveness. The maximum proportion of dissatisfaction is related to the bank's E-Banking services are in accordance with the prospectus, speedy upgrade on account transactions by the bank & Debit and credit cards are simple to use everywhere.

Table 4 Ranking of Factors Influencing Customer Satisfaction by Respondents

Garret's Ranking Technique

Influencing Factor	Average Score	Rank
Convenience	72.93	I
Accessibility	64.23	II
Privacy	60.00	III
Security & Assurance	54.85	V
Reliability & Responsiveness	56.75	IV

The above table reveals about the factor influencing customer satisfaction in adoption of E-Banking. "Convenience" ranked first by the respondents along with total average score of 72.93. The second rank is occupied by factor "Accessibility" with average score of 64.23. "Privacy" ranked third with average score of 60.00. The fourth position with average score of 56.75 was occupied by "Reliability & Responsiveness". The factor "Security & Assurance" positioned fifth at 54.85 average score by the respondents of major cooperative banks.

6. HYPOTHESIS TESTING

Hypothesis 1

H₀ - The education of the customers does not have any positive effect on the customer's Satisfaction.

H₁ - The education of the customers does have positive effect on the customer's Satisfaction.

$H_0 - p < 0.5$

$H_1 - p > 0.5$

Chi-square Value	Decision	Conclusion
0.350	Accept H_0	Dependent

Hypothesis 2

H₀ - The occupation of the customers have any positive effect on the customer's Satisfaction.

H₁ - The education of the customers does not have positive effect on the customer's Satisfaction.

$H_0 - p < 0.5$

$H_1 - p > 0.5$

Chi-square Value	Decision	Conclusion
0.649	Accept H_0	Dependent

Hypothesis 3

H₀ – There is no association level between satisfaction level & type of E-Banking service.

H₁ – There is association level between satisfaction level & type of E-Banking service.

	H ₀ - $p < 0.5$	H ₁ - $p > 0.5$
Chi-square Value	Decision	Conclusion
0.06	Reject H ₀	Independent

7. FINDING & CONCLUSIONS

Convenience, accessibility, privacy, security and assurance, reliability, and responsiveness are important features in the cooperative sector banks in Ahmednagar district and have a beneficial effect on customer satisfaction. It was also anticipated that the influence of these attributes on customer satisfaction would differ depending on individual factors including gender, age, marital status, and education. The results provide empirical evidence that cooperative sector banks in Ahmednagar district must use E-Banking services to ensure customer satisfaction. In order to boost customer satisfaction, banks must give all of the aforementioned factors sufficient attention. Results indicate that the bank should give its consumers enough information about the bank fees. A proactive and innovative approach by banks, such as providing consumer education regarding E-Banking and improved customer service, will help improve consumer confidence and ultimately overall customer satisfaction levels in Ahmednagar District, the researcher would like to add as a final point.

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